

93.29 **ARTICLE 5**
93.30 **MISCELLANEOUS**

73.10 **ARTICLE 6**
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93.31 Section 1. **[62A.3075] CANCER CHEMOTHERAPY TREATMENT**

93.32 **COVERAGE.**

94.1 (a) A health plan company that provides coverage under a health plan for cancer
94.2 chemotherapy treatment shall not require a higher co-payment, deductible, or coinsurance
94.3 amount for a prescribed, orally administered anticancer medication that is used to kill or
94.4 slow the growth of cancerous cells than what the health plan requires for an intravenously
94.5 administered or injected cancer medication that is provided, regardless of formulation or
94.6 benefit category determination by the health plan company.

94.7 (b) A health plan company must not achieve compliance with this section
94.8 by imposing an increase in co-payment, deductible, or coinsurance amount for an
94.9 intravenously administered or injected cancer chemotherapy agent covered under the
94.10 health plan.

94.11 (c) Nothing in this section shall be interpreted to prohibit a health plan company
94.12 from requiring prior authorization or imposing other appropriate utilization controls in
94.13 approving coverage for any chemotherapy.

94.14 (d) A plan offered by the commissioner of management and budget under section
94.15 43A.23 is deemed to be at parity and in compliance with this section.

94.16 (e) A health plan company is in compliance with this section if it does not include
94.17 orally administered anticancer medication in the fourth tier of its pharmacy benefit.

94.18 **EFFECTIVE DATE.** Paragraphs (a) and (c) are effective August 1, 2010, and apply
94.19 to health plans providing coverage to a Minnesota resident offered, issued, sold, renewed,
94.20 or continued as defined in Minnesota Statutes, section 60A.02, subdivision 2a, on or after
94.21 that date. Paragraph (b) is effective the day following final enactment.

94.22 Sec. 2. **[62A.3094] COVERAGE FOR AUTISM SPECTRUM DISORDERS.**

94.23 **Subdivision 1. Definitions.** (a) For purposes of this section, the terms defined in
94.24 paragraphs (b) to (e) have the meanings given.

94.25 (b) "Autism spectrum disorder" means the following conditions as determined by
94.26 criteria set forth in the most recent edition of the Diagnostic and Statistical Manual of
94.27 Mental Disorders of the American Psychiatric Association:

94.28 (1) autism or autistic disorder;

94.29 (2) Asperger's syndrome; or

94.30 (3) pervasive developmental disorder - not otherwise specified.

94.31 (c) "Board-certified behavior analyst" means an individual certified by the Behavior
94.32 Analyst Certification Board as a board-certified behavior analyst.

94.33 (d) "Evidence-based," for purposes of this section only, is as described in subdivision
94.34 2, paragraph (c), clause (2).

94.35 (e) "Health plan" has the meaning given in section 62Q.01, subdivision 3.

95.1 (f) "Manualized approach" means a self-contained volume, text, or set of
95.2 instructional media, which may include videos or compact discs, that codifies in
95.3 reasonable detail the procedures for implementing treatment.

95.4 (g) "Medical necessity" or "medically necessary care" has the meaning given in
95.5 section 62Q.53, subdivision 2.

95.6 (h) "Mental health professional" has the meaning given in section 245.4871,
95.7 subdivision 27, clauses (1) to (6).

95.8 (i) "Qualified mental health behavioral aide" means a mental health behavioral aide
95.9 as defined in section 256B.0943, subdivision 7.

95.10 (j) "Qualified mental health practitioner" means a mental health practitioner as
95.11 defined in section 245.4871, subdivision 26.

95.12 (k) "Statistically superior outcomes" means a research study in which the probability
95.13 that the results would be obtained under the null hypothesis is less than five percent.

95.14 Subd. 2. **Coverage required.** (a) For coverage requirements to apply, an individual
95.15 must have a diagnosis of autism spectrum disorder made through an evaluation of the
95.16 patient, completed within the six months prior to the start of treatment, which includes
95.17 all of the following:

95.18 (1) a complete medical and psychological evaluation performed by a licensed
95.19 physician and psychologist using empirically validated tools or tests that incorporate
95.20 measures for intellectual functioning, language development, adaptive skills, and
95.21 behavioral problems, which must include:

95.22 (i) a developmental history of the child, focusing on developmental milestones
95.23 and delays;

95.24 (ii) a family history, including whether there are other family members with an
95.25 autism spectrum disorder, developmental disability, fragile X syndrome, or tuberous
95.26 sclerosis;

95.27 (iii) a medical history, including signs of deterioration, seizure activity, brain injury,
95.28 and head circumference;

95.29 (iv) a physical examination completed within the past 12 months;

95.30 (v) an evaluation for intellectual functioning;

- 95.31 (vi) a lead screening for those children with a developmental disability; and
- 95.32 (vii) other evaluations and testing as indicated by the medical evaluation, which
- 95.33 may include neuropsychological testing, occupational therapy, physical therapy, family
- 95.34 functioning, genetic testing, imaging laboratory tests, and electrophysiological testing;
- 95.35 (2) a communication assessment conducted by a speech pathologist; and
- 96.1 (3) a comprehensive hearing test conducted by an audiologist with experience in
- 96.2 testing very young children.
- 96.3 (b) A health plan must provide coverage for the diagnosis, evaluation, assessment,
- 96.4 and medically necessary care of autism spectrum disorders that is evidence-based,
- 96.5 including but not limited to:
- 96.6 (1) neurodevelopmental and behavioral health treatments, instruction, and
- 96.7 management;
- 96.8 (2) applied behavior analysis and intensive early intervention services, including
- 96.9 service package models such as intensive early intervention behavior therapy services
- 96.10 and Lovaas therapy;
- 96.11 (3) speech therapy;
- 96.12 (4) occupational therapy;
- 96.13 (5) physical therapy; and
- 96.14 (6) prescription medications.
- 96.15 (c) Coverage required under this section shall include treatment that is in accordance
- 96.16 with:
- 96.17 (1) an individualized treatment plan prescribed by the insured's treating physician or
- 96.18 mental health professional as defined in this section; and
- 96.19 (2) medically and scientifically accepted evidence that meets the criteria of a
- 96.20 peer-reviewed, published study that is one of the following:
- 96.21 (i) a randomized study with adequate statistical power, including a sample size of
- 96.22 30 or more for each group, that shows statistically superior outcomes to a pill placebo
- 96.23 group, psychological placebo group, another treatment group, or a wait list control group,
- 96.24 or that is equivalent to another evidence-based treatment that meets the above standard
- 96.25 for the specified problem area; or
- 96.26 (ii) a series of at least three single-case design experiments with clear specification
- 96.27 of the subjects and with clear specification of the treatment approach that:
- 96.28 (A) use robust experimental designs;

96.29 (B) show statistically superior outcomes to pill placebo, psychological placebo,
96.30 or another treatment group; and

96.31 (C) either use a manualized approach or are conducted by at least two independent
96.32 investigators or teams; or

96.33 (3) where evidence meeting the standards of this subdivision does not exist for
96.34 the treatment of a diagnosed condition or for an individual matching the demographic
96.35 characteristics for which the evidence is valid, practice guidelines based on consensus
97.1 of Minnesota health care professionals knowledgeable in the treatment of individuals
97.2 with autism spectrum disorders.

97.3 (d) Early intensive behavior therapies that meet the criteria set forth in paragraphs
97.4 (b) and (c) must also meet the following best practices standards:

97.5 (1) the services must be prescribed by a mental health professional as an appropriate
97.6 treatment option for the individual child;

97.7 (2) regular reporting of services provided and the child's progress must be submitted
97.8 to the prescribing mental health professional;

97.9 (3) care must include appropriate parent or legal guardian education and
97.10 involvement;

97.11 (4) the medically prescribed treatment and frequency of services should be
97.12 coordinated between the school and provider for all children up to age 21; and

97.13 (5) services must be provided by a mental health professional or, as appropriate, a
97.14 board-certified behavior analyst, a qualified mental health practitioner, or a qualified
97.15 mental health behavioral aide.

97.16 (e) Providers under this section must work with the commissioner in implementing
97.17 evidence-based practices and, specifically for children under age 21, the Minnesota
97.18 Evidence-Based Practice Database of research-informed practice elements and specific
97.19 constituent practices.

97.20 (f) A health plan company may not refuse to renew or reissue, or otherwise terminate
97.21 or restrict coverage of an individual solely because the individual is diagnosed with an
97.22 autism spectrum disorder.

97.23 (g) A health plan company may request an updated treatment plan only once every
97.24 six months, unless the health plan company and the treating physician or mental health
97.25 professional agree that a more frequent review is necessary due to emerging circumstances.

97.26 Subd. 3. **Supervision, delegation of duties, and observation of qualified mental**
97.27 **health practitioner, board-certified behavior analyst, or mental health behavioral**
97.28 **aide.** A mental health professional who uses the services of a qualified mental health
97.29 practitioner, board-certified behavior analyst, or qualified mental health behavioral aide for
97.30 the purpose of assisting in the provision of services to patients who have autism spectrum
97.31 disorder is responsible for functions performed by these service providers. The qualified
97.32 mental health professional must maintain clinical supervision of services they provide
97.33 and accept full responsibility for their actions. The services provided must be medically
97.34 necessary and identified in the child's individual treatment plan. Service providers must
97.35 document their activities in written progress notes that reflect implementation of the
97.36 individual treatment plan.

98.1 Subd. 4. **State health care programs.** This section does not affect benefits
98.2 available under the medical assistance, MinnesotaCare, and general assistance medical
98.3 care programs. These programs must maintain current levels of coverage, and section
98.4 256B.0644 shall continue to apply. The state employee group insurance plan is not subject
98.5 to this section until July 1, 2013, but must fully comply with this section on and after
98.6 that date. The commissioner shall monitor these services and report to the chairs of the
98.7 house of representatives and senate standing committees that have jurisdiction over health
98.8 and human services by February 1, 2011, whether there are gaps in the level of service
98.9 provided by these programs and the state employee group insurance plan, and the level of
98.10 service provided by private health plans following enactment of this section.

98.11 Subd. 5. **No effect on other law.** Nothing in this section limits in any way the
98.12 coverage required under sections 62Q.47 and 62Q.53.

98.13 **EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to
98.14 coverage offered, issued, sold, renewed, or continued as defined in Minnesota Statutes,
98.15 section 60A.02, subdivision 2a, on or after that date.

98.16 Sec. 3. Minnesota Statutes 2008, section 62J.38, is amended to read:

98.17 **62J.38 COST CONTAINMENT DATA FROM GROUP PURCHASERS.**

98.18 (a) The commissioner shall require group purchasers to submit detailed data on total
98.19 health care spending for each calendar year. Group purchasers shall submit data for the
98.20 1993 calendar year by April 1, 1994, and each April 1 thereafter shall submit data for the
98.21 preceding calendar year.

98.22 (b) The commissioner shall require each group purchaser to submit data on revenue,
98.23 expenses, and member months, as applicable. Revenue data must distinguish between
98.24 premium revenue and revenue from other sources and must also include information
98.25 on the amount of revenue in reserves and changes in reserves. Expenditure data must
98.26 distinguish between costs incurred for patient care and administrative costs, including
98.27 amounts paid to contractors, subcontractors, and other entities for the purpose of managing
98.28 provider utilization or distributing provider payments. Patient care and administrative
98.29 costs must include only expenses incurred on behalf of health plan members and must
98.30 not include the cost of providing health care services for nonmembers at facilities owned
98.31 by the group purchaser or affiliate. Expenditure data must be provided separately
98.32 for the following categories and for other categories required by the commissioner:
98.33 physician services, dental services, other professional services, inpatient hospital services,
98.34 outpatient hospital services, emergency, pharmacy services and other nondurable medical
99.1 goods, mental health, and chemical dependency services, other expenditures, subscriber
99.2 liability, and administrative costs. Administrative costs must include costs for marketing;
99.3 advertising; overhead; salaries and benefits of central office staff who do not provide
99.4 direct patient care; underwriting; lobbying; claims processing; provider contracting and
99.5 credentialing; detection and prevention of payment for fraudulent or unjustified requests
99.6 for reimbursement or services; clinical quality assurance and other types of medical care
99.7 quality improvement efforts; concurrent or prospective utilization review as defined in
99.8 section 62M.02; costs incurred to acquire a hospital, clinic, or health care facility, or the
99.9 assets thereof; capital costs incurred on behalf of a hospital or clinic; lease payments; or
99.10 any other costs incurred pursuant to a partnership, joint venture, integration, or affiliation
99.11 agreement with a hospital, clinic, or other health care provider. Capital costs and costs
99.12 incurred must be recorded according to standard accounting principles. The reports of
99.13 this data must also separately identify expenses for local, state, and federal taxes, fees,
99.14 and assessments. The commissioner may require each group purchaser to submit any
99.15 other data, including data in unaggregated form, for the purposes of developing spending
99.16 estimates, setting spending limits, and monitoring actual spending and costs. In addition to
99.17 reporting administrative costs incurred to acquire a hospital, clinic, or health care facility,
99.18 or the assets thereof; or any other costs incurred pursuant to a partnership, joint venture,
99.19 integration, or affiliation agreement with a hospital, clinic, or other health care provider;
99.20 reports submitted under this section also must include the payments made during the
99.21 calendar year for these purposes. The commissioner shall make public, by group purchaser
99.22 data collected under this paragraph in accordance with section 62J.321, subdivision 5.
99.23 Workers' compensation insurance plans and automobile insurance plans are exempt from
99.24 complying with this paragraph as it relates to the submission of administrative costs.

99.25 (c) The commissioner may collect information on:

99.26 (1) premiums, benefit levels, managed care procedures, and other features of health
99.27 plan companies;

99.28 (2) prices, provider experience, and other information for services less commonly
 99.29 covered by insurance or for which patients commonly face significant out-of-pocket
 99.30 expenses; and

99.31 (3) information on health care services not provided through health plan companies,
 99.32 including information on prices, costs, expenditures, and utilization.

99.33 (d) All group purchasers shall provide the required data using a uniform format and
 99.34 uniform definitions, as prescribed by the commissioner.

99.35 Sec. 4. **[62Q.545] COVERAGE OF PRIVATE DUTY NURSING SERVICES.**

100.1 (a) Private duty nursing services, as provided under section 256B.0625, subdivision
 100.2 7, with the exception of section 256B.0654, subdivision 4, shall be provided by a
 100.3 health plan company for persons who require private duty nursing services and who
 100.4 are concurrently covered by a health plan, as defined in section 62Q.01, and enrolled in
 100.5 medical assistance under chapter 256B.

100.6 (b) For purposes of this section, a period of private duty nursing services may
 100.7 be subject to the co-payment, coinsurance, deductible, or other enrollee cost-sharing
 100.8 requirements that apply under the health plan. Cost-sharing requirements for private
 100.9 duty nursing services must not place a greater financial burden on the insured or enrollee
 100.10 than those requirements applied by the health plan to other similar services or benefits.
 100.11 Nothing in this section is intended to prevent a health plan company from requiring
 100.12 prior authorization by the health plan company for services required under 256B.0625,
 100.13 subdivision 7, or using contracted providers under the applicable provisions of the plan.

100.14 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to health
 100.15 plans offered, sold, issued, or renewed on or after that date.

100.16 Sec. 5. Minnesota Statutes 2008, section 62Q.76, subdivision 1, is amended to read:

100.17 Subdivision 1. **Applicability.** For purposes of sections 62Q.76 to ~~62Q.79~~ 62Q.791,
 100.18 the terms ~~defined in this section~~ contract, health care provider, dental plan, dental
 100.19 organization, dentist, and enrollee have the meanings given them in sections 62Q.733
 100.20 and 62Q.76.

100.21 Sec. 6. **[62Q.791] CONTRACTS WITH DENTAL CARE PROVIDERS.**

100.22 (a) Notwithstanding any other provision of law, no contract of any dental
 100.23 organization licensed under chapter 62C for provision of dental care services may:

100.24 (1) require, directly or indirectly, that a dentist or health care provider provide dental
 100.25 care services to its enrollees at a fee set by the dental organization, unless the services
 100.26 provided are covered dental care services for enrollees under the dental plan or contract; or

73.12 Section 1. **[62Q.545] COVERAGE OF PRIVATE DUTY NURSING SERVICES.**

73.13 (a) Private duty nursing services, as provided under section 256B.0625, subdivision
 73.14 7, with the exception of section 256B.0654, subdivision 4, shall be covered under a health
 73.15 plan for persons who are concurrently covered by both the health plan and enrolled in
 73.16 medical assistance under chapter 256B.

73.17 (b) For purposes of this section, a period of private duty nursing services may
 73.18 be subject to the co-payment, coinsurance, deductible, or other enrollee cost-sharing
 73.19 requirements that apply under the health plan. Cost-sharing requirements for private
 73.20 duty nursing services must not place a greater financial burden on the insured or enrollee
 73.21 than those requirements applied by the health plan to other similar services or benefits.
 73.22 Nothing in this section is intended to prevent a health plan company from requiring
 73.23 prior authorization by the health plan company for such services as required by section
 73.24 256B.0625, subdivision 7, or use of contracted providers under the applicable provisions
 73.25 of the health plan.

73.26 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to health
 73.27 plans offered, sold, issued, or renewed on or after that date.

100.27 (2) prohibit, directly or indirectly, the dentist or health care provider from offering or
100.28 providing dental care services that are not covered dental care services under the dental
100.29 plan or contract, on terms and conditions acceptable to the enrollee and the dentist or
100.30 health care provider. For purposes of this section, "covered dental care services" means
100.31 dental care services that are expressly covered under the dental plan or contract, including
100.32 dental care services that are subject to contractual limitations such as deductibles,
100.33 co-payments, annual maximums, and waiting periods.

101.1 (b) When making payment or otherwise adjudicating any claim for dental care
101.2 services provided to an enrollee, a dental organization or dental plan must clearly identify
101.3 on an explanation of benefits form or other form of claim resolution the amount, if any,
101.4 that is the enrollee's responsibility to pay to the enrollee's dentist or health care provider.

101.5 (c) This section does not apply to any contract for the provision of dental care
101.6 services under any public program sponsored or funded by the state or federal government.

101.7 **EFFECTIVE DATE.** This section is effective August 1, 2010.

101.8 Sec. 7. **[62V.01] CITATION AND PURPOSE.**

101.9 This chapter may be cited as the "Interstate Health Insurance Competition Act."

101.10 Sec. 8. **[62V.02] DEFINITIONS.**

101.11 Subdivision 1. **Application.** The definitions in this section apply to this chapter.

101.12 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

101.13 Subd. 3. **Covered person.** "Covered person" means an individual, whether a
101.14 policyholder, subscriber, enrollee, or member of a health plan who is entitled to health
101.15 care services provided, arranged for, paid for, or reimbursed pursuant to a health plan.

101.16 Subd. 4. **Domestic health insurer.** "Domestic health insurer" means an insurer
101.17 licensed to sell, offer, or provide health plans in Minnesota.

101.18 Subd. 5. **Hazardous financial condition.** "Hazardous financial condition" means
101.19 that, based on its present or reasonably anticipated financial condition, an out-of-state
101.20 health insurer is unlikely to be able to meet obligations to policyholders with respect to
101.21 known claims or to any other obligations in the normal course of business.

101.22 Subd. 6. **Health care provider or provider.** "Health care provider" or "provider"
101.23 means any hospital, physician, or other person authorized by statute, licensed, or certified
101.24 to furnish health care services.

101.25 Subd. 7. **Health care services.** "Health care services" means the furnishing of
101.26 services to any individual for the purpose of preventing, alleviating, curing, or healing
101.27 human illness, injury, or physical disability.

101.28 Subd. 8. **Health plan.** "Health plan" means an arrangement for the delivery of
101.29 health care, on an individual basis, in which an insurer undertakes to provide, arrange
101.30 for, pay for, or reimburse any of the costs of health care services for a covered person
101.31 that is in accordance with the laws of any state. Health plan does not include short-term
101.32 health coverage, accident only, limited or specified disease, long-term care or individual
101.33 conversion policies or contracts, or policies or contracts designed for issuance to persons
102.1 eligible for coverage under title XVIII of the federal Social Security Act, known as
102.2 Medicare, or any other similar coverage under state or federal governmental plans.

102.3 Subd. 9. **Insurer.** "Insurer" means any entity that is authorized to sell, offer, or
102.4 provide a health plan, including an entity providing a plan of health insurance, health
102.5 benefits, or health services, an accident and sickness insurance company, a health
102.6 maintenance organization, a corporation offering a health plan, a fraternal benefit society,
102.7 a community integrated service network, or any other entity that provides health plans
102.8 subject to state insurance regulation, or a health carrier described in section 62A.011,
102.9 subdivision 2.

102.10 Subd. 10. **Out-of-state health plan.** "Out-of-state health plan" means a health plan
102.11 that was filed for use in any other state.

102.12 Subd. 11. **Resident.** "Resident" means an individual whose primary residence is in
102.13 Minnesota and who is present in Minnesota for at least six months of the calendar year.

102.14 Sec. 9. **[62V.03] OUT-OF-STATE HEALTH PLANS TO MINNESOTA**
102.15 **RESIDENTS.**

102.16 Subdivision 1. **Eligibility.** (a) Notwithstanding any other law to the contrary, a
102.17 health insurer may sell, offer, or issue an out-of-state health plan to residents in Minnesota,
102.18 if the following requirements are met:

102.19 (1) the out-of-state health plan must be in compliance with all applicable Minnesota
102.20 laws that apply to the type of health plan offered;

102.21 (2) the out-of-state health plan must not be issued, nor any application, rider, or
102.22 endorsement be used in connection with the plan, until the form has received prior
102.23 approval in Minnesota;

102.24 (3) the offering insurer must have a certificate of authority to do business in
102.25 Minnesota pursuant to section 60A.07; and

102.26 (4) the out-of-state health plan shall participate, on a nondiscriminatory basis, in the
102.27 Minnesota Life and Health Insurance Guaranty Association created under chapter 61B.

102.28 (b) The provisions of section 62A.02, subdivision 2, shall not apply to plans issued
102.29 under this section.

102.30 Subd. 2. **Minnesota laws applicable.** An out-of-state health plan sold, offered, or
102.31 provided by a health insurer in Minnesota in accordance with this chapter is subject to
102.32 laws
102.33 applicable to the sale, offering, or provision of accident and sickness insurance or health
102.34 plans including, but not limited to, requirements imposed by chapters 62A, 62E, and 62Q.
102.34 Subd. 3. **Nature of out-of-state health insurer.** The out-of-state health insurer
102.35 may be a for-profit or nonprofit company.

103.1 Sec. 10. **[62V.04] CERTIFICATE OF AUTHORITY TO OFFER OUT-OF-STATE**

103.2 **HEALTH PLANS.**

103.3 Subdivision 1. **Issuance of certificate.** A health insurer may apply for a certificate
103.4 that authorizes the health insurer to offer out-of-state health insurance plans in Minnesota,
103.5 using a form prescribed by the commissioner. Upon application, the commissioner shall
103.6 issue a certificate to the health insurer unless the commissioner determines that the
103.7 out-of-state health insurer:

103.8 (1) will not provide a health plan in compliance with this chapter;

103.9 (2) is in a hazardous financial condition, as determined by an examination by the
103.10 commissioner conducted in accordance with the Financial Analysis Handbook of the
103.11 National Association of Insurance Commissioners; or

103.12 (3) has not adopted procedures to ensure compliance with all applicable laws
103.13 governing the confidentiality of its records with respect to providers and covered persons.

103.14 Subd. 2. **Validity.** A certificate of authority issued pursuant to this section is valid
103.15 for three years from the date of issuance by the commissioner.

103.16 Subd. 3. **Rulemaking authority.** The commissioner shall adopt rules that include:

103.17 (1) procedures for an out-of-state health insurer to renew a certificate of authority,
103.18 consistent with this chapter; and

103.19 (2) a certificate of authority application and renewal fees, the amount of which must
103.20 be no greater than is reasonably necessary to enable the commissioner of commerce
103.21 to carry out the provisions of this chapter.

103.22 Subd. 4. **Applicability of certain statutory requirements.** A health insurer
103.23 offering health plans pursuant to this chapter shall comply with:

103.24 (1) protections for covered persons from unfair trade practices applicable to accident
103.25 and sickness insurance or health plans pursuant to chapter 72A;

103.26 (2) the capital and surplus requirements for licensure specified in chapter 60A, as
103.27 determined applicable to out-of-state health insurers by the commissioner;

103.28 (3) applicable requirements of this chapter and sections 297I.05, subdivision 12, and
103.29 62E.11, pertaining to taxes and assessments imposed on health insurers selling individual
103.30 health insurance policies in Minnesota; and

103.31 (4) applicable requirements of chapter 60A regarding the obtaining of authority to
103.32 transact business in Minnesota.

103.33 Sec. 11. **[62V.06] REVOCATION OF CERTIFICATE OF AUTHORITY;**
103.34 **MARKETING MATERIALS.**

104.1 Subdivision 1. **Revocation.** The commissioner may deny, revoke, or suspend, after
104.2 notice and opportunity to be heard, a certificate of authority issued to a health insurer
104.3 pursuant to this chapter for a violation of this chapter, including any finding by the
104.4 commissioner that a health insurer is no longer in compliance with any of the conditions
104.5 for issuance of a certificate of authority set forth in section 60A.07, or the administrative
104.6 rules adopted pursuant to this chapter. The commissioner shall provide for an appropriate
104.7 and timely right of appeal for the out-of-state health insurer whose certificate is denied,
104.8 revoked, or suspended.

104.9 Subd. 2. **Fair marketing standards.** The commissioner shall establish fair
104.10 marketing standards for marketing materials used by out-of-state health insurers to market
104.11 health plans to residents in Minnesota, which standards must be consistent with those
104.12 applicable to health plans offered by a domestic health insurer pursuant to chapter 72A.

104.13 Subd. 3. **Nondiscrimination.** The procedures and standards established under
104.14 subdivision 2 must be applied on a nondiscriminatory basis so as not to place greater
104.15 responsibilities on out-of-state health insurers than the responsibilities placed on domestic
104.16 health insurers doing business in Minnesota.

104.17 Sec. 12. **[62V.07] RULES.**

104.18 The commissioner shall adopt rules to effectuate the purposes of this chapter. The
104.19 rules must not:

104.20 (1) directly or indirectly require an insurer offering out-of-state health plans to,
104.21 directly or indirectly, modify coverage or benefit requirements or restrict underwriting
104.22 requirements or premium ratings in any way that conflicts with the insurer's domiciliary
104.23 state's laws or regulations, except as necessary to comply with Minnesota law;

104.24 (2) provide for regulatory requirements that are more stringent than those applicable
104.25 to carriers providing Minnesota health plans; or

104.26 (3) require any out-of-state health plan issued by the health insurer to be
104.27 countersigned by an insurance agent or broker residing in Minnesota.

73.28 Sec. 2. **[137.32] MINNESOTA COUPLES ON THE BRINK PROJECT.**

73.29 Subdivision 1. **Establishment.** Within the limits of available appropriations, the
73.30 Board of Regents of the University of Minnesota is requested to develop and implement
73.31 a Minnesota couples on the brink project, as provided for in this section. The regents
73.32 may administer the project with federal grants, state appropriations, and in-kind services
73.33 received for this purpose.

74.1 Subd. 2. **Purpose.** The purpose of the project is to develop, evaluate, and
74.2 disseminate best practices for promoting successful reconciliation between married
74.3 persons who are considering or have commenced a marriage dissolution proceeding and
74.4 who choose to pursue reconciliation.

74.5 Subd. 3. **Implementation.** The regents shall:

74.6 (1) enter into contracts or manage a grant process for implementation of the project;
74.7 and

74.8 (2) develop and implement an evaluation component for the project.

74.15 Sec. 4. Minnesota Statutes 2008, section 152.126, as amended by Laws 2009, chapter
74.16 79, article 11, sections 9, 10, and 11, is amended to read:

74.17 **152.126 SCHEDULE H-AND-HH CONTROLLED SUBSTANCES**

74.18 **PRESCRIPTION ELECTRONIC REPORTING SYSTEM.**

74.19 Subdivision 1. **Definitions.** For purposes of this section, the terms defined in this
74.20 subdivision have the meanings given.

74.21 (a) "Board" means the Minnesota State Board of Pharmacy established under
74.22 chapter 151.

74.23 (b) "Controlled substances" means those substances listed in section 152.02,
74.24 subdivisions 3 to 5, and those substances defined by the board pursuant to section 152.02,
74.25 subdivisions 7, 8, and 12.

74.26 (c) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision
74.27 30. Dispensing does not include the direct administering of a controlled substance to a
74.28 patient by a licensed health care professional.

74.29 (d) "Dispenser" means a person authorized by law to dispense a controlled substance,
74.30 pursuant to a valid prescription. For the purposes of this section, a dispenser does not
74.31 include a licensed hospital pharmacy that distributes controlled substances for inpatient
74.32 hospital care or a veterinarian who is dispensing prescriptions under section 156.18.

74.33 (e) "Prescriber" means a licensed health care professional who is authorized to
74.34 prescribe a controlled substance under section 152.12, subdivision 1.

75.1 (f) "Prescription" has the meaning given in section 151.01, subdivision 16.

75.2 Subd. 1a. **Treatment of intractable pain.** This section is not intended to limit or
75.3 interfere with the legitimate prescribing of controlled substances for pain. No prescriber
75.4 shall be subject to disciplinary action by a health-related licensing board for prescribing a
75.5 controlled substance according to the provisions of section 152.125.

75.6 Subd. 2. **Prescription electronic reporting system.** (a) The board shall establish
75.7 by January 1, 2010, an electronic system for reporting the information required under
75.8 subdivision 4 for all controlled substances dispensed within the state.

75.9 (b) The board may contract with a vendor for the purpose of obtaining technical
75.10 assistance in the design, implementation, operation, and maintenance of the electronic
75.11 reporting system.

75.12 Subd. 3. **Prescription Electronic Reporting Advisory Committee.** (a) The
75.13 board shall convene an advisory committee. The committee must include at least one
75.14 representative of:

75.15 (1) the Department of Health;

75.16 (2) the Department of Human Services;

75.17 (3) each health-related licensing board that licenses prescribers;

75.18 (4) a professional medical association, which may include an association of pain
75.19 management and chemical dependency specialists;

75.20 (5) a professional pharmacy association;

75.21 (6) a professional nursing association;

75.22 (7) a professional dental association;

75.23 (8) a consumer privacy or security advocate; and

75.24 (9) a consumer or patient rights organization.

75.25 (b) The advisory committee shall advise the board on the development and operation
75.26 of the electronic reporting system, including, but not limited to:

75.27 (1) technical standards for electronic prescription drug reporting;

75.28 (2) proper analysis and interpretation of prescription monitoring data; and

75.29 (3) an evaluation process for the program.

75.30 ~~(c) The Board of Pharmacy, after consultation with the advisory committee, shall~~
75.31 ~~present recommendations and draft legislation on the issues addressed by the advisory~~
75.32 ~~committee under paragraph (b), to the legislature by December 15, 2007.~~

75.33 Subd. 4. **Reporting requirements; notice.** (a) Each dispenser must submit the
75.34 following data to the board or its designated vendor, subject to the notice required under
75.35 paragraph (d):

75.36 (1) name of the prescriber;

76.1 (2) national provider identifier of the prescriber;

76.2 (3) name of the dispenser;

76.3 (4) national provider identifier of the dispenser;

76.4 (5) prescription number;

76.5 (6) name of the patient for whom the prescription was written;

76.6 (7) address of the patient for whom the prescription was written;

76.7 (8) date of birth of the patient for whom the prescription was written;

76.8 (9) date the prescription was written;

76.9 (10) date the prescription was filled;

76.10 (11) name and strength of the controlled substance;

76.11 (12) quantity of controlled substance prescribed;

76.12 (13) quantity of controlled substance dispensed; and

76.13 (14) number of days supply.

76.14 (b) The dispenser must submit the required information by a procedure and in a
76.15 format established by the board. The board may allow dispensers to omit data listed in this
76.16 subdivision or may require the submission of data not listed in this subdivision provided
76.17 the omission or submission is necessary for the purpose of complying with the electronic
76.18 reporting or data transmission standards of the American Society for Automation in
76.19 Pharmacy, the National Council on Prescription Drug Programs, or other relevant national
76.20 standard-setting body.

76.21 (c) A dispenser is not required to submit this data for those controlled substance
76.22 prescriptions dispensed for:

76.23 (1) individuals residing in licensed skilled nursing or intermediate care facilities;

76.24 (2) individuals receiving assisted living services under chapter 144G or through a
76.25 medical assistance home and community-based waiver;

76.26 (3) individuals receiving medication intravenously;

76.27 (4) individuals receiving hospice and other palliative or end-of-life care; and

76.28 (5) individuals receiving services from a home care provider regulated under chapter
76.29 144A.

76.30 (d) A dispenser must not submit data under this subdivision unless a conspicuous
76.31 notice of the reporting requirements of this section is given to the patient for whom the
76.32 prescription was written.

76.33 Subd. 5. **Use of data by board.** (a) The board shall develop and maintain a database
76.34 of the data reported under subdivision 4. The board shall maintain data that could identify
76.35 an individual prescriber or dispenser in encrypted form. The database may be used by
76.36 permissible users identified under subdivision 6 for the identification of:

77.1 (1) individuals receiving prescriptions for controlled substances from prescribers
77.2 who subsequently obtain controlled substances from dispensers in quantities or with a
77.3 frequency inconsistent with generally recognized standards of use for those controlled
77.4 substances, including standards accepted by national and international pain management
77.5 associations; and

77.6 (2) individuals presenting forged or otherwise false or altered prescriptions for
77.7 controlled substances to dispensers.

77.8 (b) No permissible user identified under subdivision 6 may access the database
77.9 for the sole purpose of identifying prescribers of controlled substances for unusual or
77.10 excessive prescribing patterns without a valid search warrant or court order.

77.11 (c) No personnel of a state or federal occupational licensing board or agency may
77.12 access the database for the purpose of obtaining information to be used to initiate or
77.13 substantiate a disciplinary action against a prescriber.

77.14 (d) Data reported under subdivision 4 shall be retained by the board in the database
77.15 for a 12-month period, and shall be removed from the database no later than 12 months
77.16 from the date the last day of the month during which the data was received.

77.17 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this
77.18 subdivision, the data submitted to the board under subdivision 4 is private data on
77.19 individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

77.20 (b) Except as specified in subdivision 5, the following persons shall be considered
77.21 permissible users and may access the data submitted under subdivision 4 in the same or
77.22 similar manner, and for the same or similar purposes, as those persons who are authorized
77.23 to access similar private data on individuals under federal and state law:

77.24 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
77.25 delegated the task of accessing the data, to the extent the information relates specifically to
77.26 a current patient, to whom the prescriber is prescribing or considering prescribing any
77.27 controlled substance and with the provision that the prescriber remains responsible for the
77.28 use or misuse of data accessed by a delegated agent or employee;

77.29 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
77.30 delegated the task of accessing the data, to the extent the information relates specifically
77.31 to a current patient to whom that dispenser is dispensing or considering dispensing any
77.32 controlled substance and with the provision that the dispenser remains responsible for the
77.33 use or misuse of data accessed by a delegated agent or employee;

77.34 (3) an individual who is the recipient of a controlled substance prescription for
77.35 which data was submitted under subdivision 4, or a guardian of the individual, parent or
78.1 guardian of a minor, or health care agent of the individual acting under a health care
78.2 directive under chapter 145C;

78.3 (4) personnel of the board specifically assigned to conduct a bona fide investigation
78.4 of a specific licensee;

78.5 (5) personnel of the board engaged in the collection of controlled substance
78.6 prescription information as part of the assigned duties and responsibilities under this
78.7 section;

78.8 (6) authorized personnel of a vendor under contract with the board who are engaged
78.9 in the design, implementation, operation, and maintenance of the electronic reporting
78.10 system as part of the assigned duties and responsibilities of their employment, provided
78.11 that access to data is limited to the minimum amount necessary to carry out such duties
78.12 and responsibilities;

78.13 (7) federal, state, and local law enforcement authorities acting pursuant to a valid
78.14 search warrant; and

78.15 (8) personnel of the medical assistance program assigned to use the data collected
78.16 under this section to identify recipients whose usage of controlled substances may warrant
78.17 restriction to a single primary care physician, a single outpatient pharmacy, or a single
78.18 hospital.

78.19 For purposes of clause (3), access by an individual includes persons in the definition
78.20 of an individual under section 13.02.

78.21 (c) Any permissible user identified in paragraph (b), who directly accesses
78.22 the data electronically, shall implement and maintain a comprehensive information
78.23 security program that contains administrative, technical, and physical safeguards that
78.24 are appropriate to the user's size and complexity, and the sensitivity of the personal
78.25 information obtained. The permissible user shall identify reasonably foreseeable internal
78.26 and external risks to the security, confidentiality, and integrity of personal information
78.27 that could result in the unauthorized disclosure, misuse, or other compromise of the
78.28 information and assess the sufficiency of any safeguards in place to control the risks.

78.29 (d) The board shall not release data submitted under this section unless it is provided
78.30 with evidence, satisfactory to the board, that the person requesting the information is
78.31 entitled to receive the data.

78.32 (e) The board shall not release the name of a prescriber without the written consent
78.33 of the prescriber or a valid search warrant or court order. The board shall provide a
78.34 mechanism for a prescriber to submit to the board a signed consent authorizing the release
78.35 of the prescriber's name when data containing the prescriber's name is requested.

79.1 (f) The board shall maintain a log of all persons who access the data and shall ensure
79.2 that any permissible user complies with paragraph (c) prior to attaining direct access to
79.3 the data.

79.4 (g) Section 13.05, subdivision 6, shall apply to any contract the board enters into
79.5 pursuant to subdivision 2. A vendor shall not use data collected under this section for
79.6 any purpose not specified in this section.

79.7 Subd. 7. **Disciplinary action.** (a) A dispenser who knowingly fails to submit data to
79.8 the board as required under this section is subject to disciplinary action by the appropriate
79.9 health-related licensing board.

79.10 (b) A prescriber or dispenser authorized to access the data who knowingly discloses
79.11 the data in violation of state or federal laws relating to the privacy of health care data
79.12 shall be subject to disciplinary action by the appropriate health-related licensing board,
79.13 and appropriate civil penalties.

79.14 Subd. 8. **Evaluation and reporting.** (a) The board shall evaluate the prescription
79.15 electronic reporting system to determine if the system is negatively impacting appropriate
79.16 prescribing practices of controlled substances. The board may contract with a vendor to
79.17 design and conduct the evaluation.

79.18 (b) The board shall submit the evaluation of the system to the legislature by ~~January~~
79.19 July 15, 2011.

79.20 Subd. 9. **Immunity from liability; no requirement to obtain information.** (a) A
79.21 pharmacist, prescriber, or other dispenser making a report to the program in good faith
79.22 under this section is immune from any civil, criminal, or administrative liability, which
79.23 might otherwise be incurred or imposed as a result of the report, or on the basis that the
79.24 pharmacist or prescriber did or did not seek or obtain or use information from the program.

79.25 (b) Nothing in this section shall require a pharmacist, prescriber, or other dispenser
79.26 to obtain information about a patient from the program, and the pharmacist, prescriber,
79.27 or other dispenser, if acting in good faith, is immune from any civil, criminal, or
79.28 administrative liability that might otherwise be incurred or imposed for requesting,
79.29 receiving, or using information from the program.

79.30 Subd. 10. **Funding.** (a) The board may seek grants and private funds from nonprofit
79.31 charitable foundations, the federal government, and other sources to fund the enhancement
79.32 and ongoing operations of the prescription electronic reporting system established under
79.33 this section. Any funds received shall be appropriated to the board for this purpose. The
79.34 board may not expend funds to enhance the program in a way that conflicts with this
79.35 section without seeking approval from the legislature.

80.1 (b) The administrative services unit for the health-related licensing boards shall
80.2 apportion between the Board of Medical Practice, the Board of Nursing, the Board of
80.3 Dentistry, the Board of Podiatric Medicine, the Board of Optometry, and the Board
80.4 of Pharmacy an amount to be paid through fees by each respective board. The amount
80.5 apportioned to each board shall equal each board's share of the annual appropriation to
80.6 the Board of Pharmacy from the state government special revenue fund for operating the
80.7 prescription electronic reporting system under this section. Each board's apportioned
80.8 share shall be based on the number of prescribers or dispensers that each board identified
80.9 in this paragraph licenses as a percentage of the total number of prescribers and dispensers
80.10 licensed collectively by these boards. Each respective board may adjust the fees that the
80.11 boards are required to collect to compensate for the amount apportioned to each board by
80.12 the administrative services unit.

104.28 Sec. 13. **[245.6971] ADVISORY GROUP ON STATE-OPERATED SERVICES**

104.29 **REDESIGN.**

104.30 Subdivision 1. **Establishment.** The Advisory Group on State-Operated Services
104.31 Redesign is established to make recommendations to the commissioner of human services
104.32 and the legislature on the continuum of services needed to provide individuals with
104.33 complex conditions including mental illness and developmental disabilities access to
105.1 quality care and the appropriate level of care across the state to promote wellness, reduce
105.2 cost, and improve efficiency.

105.3 Subd. 2. **Duties.** The Advisory Group on State-Operated Services Redesign shall
105.4 make recommendations to the commissioner and the legislature no later than December
105.5 15, 2010, on the following:

105.6 (1) transformation needed to improve service delivery and provide a continuum of
105.7 care, such as transition of current facilities, closure of current facilities, or the development
105.8 of new models of care;

105.9 (2) gaps and barriers to accessing quality care, system inefficiencies, and cost
105.10 pressures;

105.11 (3) services that are best provided by the state and those that are best provided
105.12 in the community;

105.13 (4) an implementation plan to achieve integrated service delivery across the public,
105.14 private, and nonprofit sectors;

105.15 (5) an implementation plan to ensure that individuals with complex chemical and
105.16 mental health needs receive the appropriate level of care to achieve recovery and wellness;
105.17 and

105.18 (6) financing mechanisms that include all possible revenue sources to maximize
105.19 federal funding and promote cost efficiencies and sustainability.

105.20 Subd. 3. **Membership.** The advisory group shall be composed of the following,
105.21 who will serve at the pleasure of their appointing authority:

105.22 (1) the commissioner of human services or the commissioner's designee, and two
105.23 additional representatives from the department;

105.24 (2) two legislators appointed by the speaker of the house, one from the minority
105.25 and one from the majority;

105.26 (3) two legislators appointed by the senate rules committee, one from the minority
105.27 and one from the majority;

105.28 (4) one representative appointed by AFSCME Council 5;

105.29 (5) one representative appointed by the ombudsman for mental health and
105.30 developmental disabilities;

105.31 (6) one representative appointed by the Minnesota Association of Professional
105.32 Employees;

105.33 (7) one representative appointed by the Minnesota Hospital Association;

105.34 (8) one representative appointed by the Minnesota Nurses Association;

105.35 (9) one representative appointed by NAMI-MN;

105.36 (10) one representative appointed by the Mental Health Association of Minnesota;

106.1 (11) one representative appointed by the Minnesota Association Of Community
106.2 Mental Health Programs;

106.3 (12) one representative appointed by the Minnesota Dental Association;

106.4 (13) three clients or client family members representing different populations
106.5 receiving services from state-operated services, who are appointed by the commissioner;

106.6 (14) one representative appointed by the chair of the state-operated services
106.7 governing board; and

106.8 (15) one representative appointed by the Minnesota Disability Law Center.

106.9 Subd. 4. **Administration.** The commissioner shall convene the first meeting of the
106.10 advisory group and shall provide administrative support and staff.

106.11 Subd. 5. **Recommendations.** The advisory group must report its recommendations
106.12 to the commissioner and to the legislature no later than December 15, 2010.

106.13 Subd. 6. **Expiration.** This section expires January 31, 2011.

106.14 Sec. 14. **[245.6972] LEGISLATIVE APPROVAL REQUIRED.**

106.15 The commissioner of human services shall not redesign or move state-operated
106.16 services programs without specific legislative approval. The commissioner may proceed
106.17 with redesign at the Mankato Crisis Center and the closure of the Community Behavioral
106.18 Health Hospital in Cold Spring.

106.19 Sec. 15. Minnesota Statutes 2009 Supplement, section 245A.11, subdivision 7b,
106.20 is amended to read:

106.21 Subd. 7b. **Adult foster care data privacy and security.** (a) An adult foster
106.22 care license holder who creates, collects, records, maintains, stores, or discloses any
106.23 individually identifiable recipient data, whether in an electronic or any other format,
106.24 must comply with the privacy and security provisions of applicable privacy laws and
106.25 regulations, including:

106.26 (1) the federal Health Insurance Portability and Accountability Act of 1996
106.27 (HIPAA), Public Law 104-1; and the HIPAA Privacy Rule, Code of Federal Regulations,
106.28 title 45, part 160, and subparts A and E of part 164; and

106.29 (2) the Minnesota Government Data Practices Act as codified in chapter 13.

106.30 (b) For purposes of licensure, the license holder shall be monitored for compliance
106.31 with the following data privacy and security provisions:

106.32 (1) the license holder must control access to data on foster care recipients according
106.33 to the definitions of public and private data on individuals under section 13.02;
106.34 classification of the data on individuals as private under section 13.46, subdivision 2;
107.1 and control over the collection, storage, use, access, protection, and contracting related
107.2 to data according to section 13.05, in which the license holder is assigned the duties
107.3 of a government entity;

107.4 (2) the license holder must provide each foster care recipient with a notice that
107.5 meets the requirements under section 13.04, in which the license holder is assigned the
107.6 duties of the government entity, and that meets the requirements of Code of Federal
107.7 Regulations, title 45, part 164.52. The notice shall describe the purpose for collection of
107.8 the data, and to whom and why it may be disclosed pursuant to law. The notice must
107.9 inform the recipient that the license holder uses electronic monitoring and, if applicable,
107.10 that recording technology is used;

107.11 (3) the license holder must not install monitoring cameras in bathrooms;

107.12 (4) electronic monitoring cameras must not be concealed from the foster care
 107.13 recipients; and

107.14 (5) electronic video and audio recordings of foster care recipients shall not be stored
 107.15 by the license holder for more than five days unless the recording is pertinent to an
 107.16 investigation of a reported incident of abuse or neglect under section 626.556 or 626.557,
 107.17 or if requested by a recipient or the recipient's legal representative for a specific reported
 107.18 incident of abuse or neglect.

107.19 (c) The commissioner shall develop, and make available to license holders and
 107.20 county licensing workers, a checklist of the data privacy provisions to be monitored
 107.21 for purposes of licensure.

80.13 Sec. 5. Minnesota Statutes 2008, section 246.18, is amended by adding a subdivision
 80.14 to read:

80.15 Subd. 8. **State-operated services account.** The state-operated services account is
 80.16 established in the special revenue fund. Revenue generated by new state-operated services
 80.17 listed under this section established after July 1, 2010, that are not enterprise activities must
 80.18 be deposited into the state-operated services account, unless otherwise specified in law:

80.19 (1) intensive residential treatment services;

80.20 (2) foster care services; and

80.21 (3) psychiatric extensive recovery treatment services.

107.22 Sec. 16. Minnesota Statutes 2008, section 246B.04, subdivision 2, is amended to read:

107.23 Subd. 2. **Ban on obscene material~~or~~, pornographic work, or certain drugs.**
 107.24 The commissioner shall prohibit persons civilly committed as sexual psychopathic
 107.25 personalities or sexually dangerous persons under section 253B.185 from having or
 107.26 receiving material that is obscene as defined under section 617.241, subdivision 1,
 107.27 material that depicts sexual conduct as defined under section 617.241, subdivision 1, ~~or~~
 107.28 pornographic work as defined under section 617.246, subdivision 1, or drug used for the
 107.29 treatment of impotence or erectile dysfunction while receiving services in any secure
 107.30 treatment facilities operated by the Minnesota sex offender program or any other facilities
 107.31 operated by the commissioner.

107.32 Sec. 17. Minnesota Statutes 2009 Supplement, section 246B.06, subdivision 6, is
 107.33 amended to read:

108.1 Subd. 6. **Wages.** (a) Notwithstanding section 177.24 or any other law to the
 108.2 contrary, the commissioner of human services has the discretion to set the pay rate for
 108.3 clients participating in the vocational work program. The commissioner has the authority
 108.4 to retain up to 50 percent of any payments made to a client participating in the vocational
 108.5 work program for the purpose of reducing state costs associated with operating the
 108.6 Minnesota sex offender program.

108.7 (b) A client who receives payments is prohibited from spending any of the funds
 108.8 received on drugs used for the treatment of impotence or erectile dysfunction while
 108.9 receiving services in any treatment facilities operated by the Minnesota sex offender
 108.10 program or any other facilities operated by the commissioner.

108.11 Sec. 18. Minnesota Statutes 2009 Supplement, section 252.025, subdivision 7, is
 108.12 amended to read:

108.13 Subd. 7. **Minnesota extended treatment options.** The commissioner shall develop
 108.14 by July 1, 1997, the Minnesota extended treatment options to serve Minnesotans who have
 108.15 developmental disabilities and exhibit severe behaviors which present a risk to public
 108.16 safety. This program is statewide and must provide specialized residential services in
 108.17 Cambridge and an array of community-based services with sufficient levels of care and a
 108.18 sufficient number of specialists to ensure that individuals referred to the program receive
 108.19 the appropriate care. The number of beds at the Cambridge facility may be reorganized
 108.20 into two 16-bed facilities, one for individuals with developmental disabilities and one for
 108.21 individuals with developmental disabilities and a co-occurring mental illness. Remaining
 108.22 beds shall be converted into community-based transitional intensive treatment foster
 108.23 homes in the Cambridge area and staffed by state employees. The individuals working
 108.24 in the community-based services under this section are state employees supervised by
 108.25 the commissioner of human services. No layoffs shall occur as a result of restructuring
 108.26 under this section.

108.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

108.28 Sec. 19. Minnesota Statutes 2008, section 254B.01, subdivision 2, is amended to read:

108.29 Subd. 2. **American Indian.** For purposes of services provided under section
 108.30 ~~254B.09, subdivision 7~~ 254B.09, subdivision 8, "American Indian" means a person who is
 108.31 a member of an Indian tribe, and the commissioner shall use the definitions of "Indian"
 108.32 and "Indian tribe" and "Indian organization" provided in Public Law 93-638. For purposes
 108.33 of services provided under section ~~254B.09, subdivision 4~~ 254B.09, subdivision 6,
 109.1 "American Indian" means a resident of federally recognized tribal lands who is recognized
 109.2 as an Indian person by the federally recognized tribal governing body.

109.3 Sec. 20. Minnesota Statutes 2008, section 254B.02, subdivision 1, is amended to read:

80.22 Sec. 6. Minnesota Statutes 2008, section 254B.01, subdivision 2, is amended to read:

80.23 Subd. 2. **American Indian.** For purposes of services provided under section
 80.24 254B.09, subdivision 7 8, "American Indian" means a person who is a member of an
 80.25 Indian tribe, and the commissioner shall use the definitions of "Indian" and "Indian tribe"
 80.26 and "Indian organization" provided in Public Law 93-638. For purposes of services
 80.27 provided under section 254B.09, subdivision 4 6, "American Indian" means a resident of
 80.28 federally recognized tribal lands who is recognized as an Indian person by the federally
 80.29 recognized tribal governing body.

80.30 Sec. 7. Minnesota Statutes 2008, section 254B.02, subdivision 1, is amended to read:

109.4 Subdivision 1. **Chemical dependency treatment allocation.** The chemical
 109.5 dependency funds appropriated for allocation treatment appropriation shall be placed in
 109.6 a special revenue account. The commissioner shall annually transfer funds from the
 109.7 chemical dependency fund to pay for operation of the drug and alcohol abuse normative
 109.8 evaluation system and to pay for all costs incurred by adding two positions for licensing
 109.9 of chemical dependency treatment and rehabilitation programs located in hospitals for
 109.10 which funds are not otherwise appropriated. Six percent of the remaining money must
 109.11 be reserved for tribal allocation under section 254B.09, subdivisions 4 and 5. The
 109.12 commissioner shall annually divide the money available in the chemical dependency
 109.13 fund that is not held in reserve by counties from a previous allocation, or allocated to
 109.14 the American Indian chemical dependency tribal account. Six percent of the remaining
 109.15 money must be reserved for the nonreservation American Indian chemical dependency
 109.16 allocation for treatment of American Indians by eligible vendors under section 254B.05,
 109.17 subdivision 1. The remainder of the money must be allocated among the counties
 109.18 according to the following formula, using state demographer data and other data sources
 109.19 determined by the commissioner: in the special revenue account must be used according
 109.20 to the requirements in this chapter.

109.21 (a) For purposes of this formula, American Indians and children under age 14 are
 109.22 subtracted from the population of each county to determine the restricted population.

109.23 (b) The amount of chemical dependency fund expenditures for entitled persons for
 109.24 services not covered by prepaid plans governed by section 256B.69 in the previous year is
 109.25 divided by the amount of chemical dependency fund expenditures for entitled persons for
 109.26 all services to determine the proportion of exempt service expenditures for each county.

109.27 (c) The prepaid plan months of eligibility is multiplied by the proportion of exempt
 109.28 service expenditures to determine the adjusted prepaid plan months of eligibility for
 109.29 each county.

109.30 (d) The adjusted prepaid plan months of eligibility is added to the number of
 109.31 restricted population fee for service months of eligibility for the Minnesota family
 109.32 investment program, general assistance, and medical assistance and divided by the county
 109.33 restricted population to determine county per capita months of covered service eligibility.

109.34 (e) The number of adjusted prepaid plan months of eligibility for the state is added
 109.35 to the number of fee for service months of eligibility for the Minnesota family investment
 110.1 program, general assistance, and medical assistance for the state restricted population and
 110.2 divided by the state restricted population to determine state per capita months of covered
 110.3 service eligibility.

110.4 (f) The county per capita months of covered service eligibility is divided by the
 110.5 state per capita months of covered service eligibility to determine the county welfare
 110.6 caseload factor.

80.31 Subdivision 1. **Chemical dependency treatment allocation.** The chemical
 80.32 dependency funds appropriated for allocation treatment appropriation shall be placed in
 80.33 a special revenue account. The commissioner shall annually transfer funds from the
 81.1 chemical dependency fund to pay for operation of the drug and alcohol abuse normative
 81.2 evaluation system and to pay for all costs incurred by adding two positions for licensing
 81.3 of chemical dependency treatment and rehabilitation programs located in hospitals for
 81.4 which funds are not otherwise appropriated. Six percent of the remaining money must
 81.5 be reserved for tribal allocation under section 254B.09, subdivisions 4 and 5. The
 81.6 commissioner shall annually divide the money available in the chemical dependency
 81.7 fund that is not held in reserve by counties from a previous allocation, or allocated to the
 81.8 American Indian chemical dependency tribal account. Six percent of the remaining money
 81.9 must be reserved for the nonreservation American Indian chemical dependency allocation
 81.10 for treatment of American Indians by eligible vendors under section 254B.05, subdivision
 81.11 1. The remainder of the money must be allocated among the counties according to the
 81.12 following formula, using state demographer data and other data sources determined by
 81.13 the commissioner:

81.14 (a) For purposes of this formula, American Indians and children under age 14 are
 81.15 subtracted from the population of each county to determine the restricted population.

81.16 (b) The amount of chemical dependency fund expenditures for entitled persons for
 81.17 services not covered by prepaid plans governed by section 256B.69 in the previous year is
 81.18 divided by the amount of chemical dependency fund expenditures for entitled persons for
 81.19 all services to determine the proportion of exempt service expenditures for each county.

81.20 (c) The prepaid plan months of eligibility is multiplied by the proportion of exempt
 81.21 service expenditures to determine the adjusted prepaid plan months of eligibility for
 81.22 each county.

81.23 (d) The adjusted prepaid plan months of eligibility is added to the number of
 81.24 restricted population fee for service months of eligibility for the Minnesota family
 81.25 investment program, general assistance, and medical assistance and divided by the county
 81.26 restricted population to determine county per capita months of covered service eligibility.

81.27 (e) The number of adjusted prepaid plan months of eligibility for the state is added
 81.28 to the number of fee for service months of eligibility for the Minnesota family investment
 81.29 program, general assistance, and medical assistance for the state restricted population and
 81.30 divided by the state restricted population to determine state per capita months of covered
 81.31 service eligibility.

81.32 (f) The county per capita months of covered service eligibility is divided by the
 81.33 state per capita months of covered service eligibility to determine the county welfare
 81.34 caseload factor.

110.7 ~~(g) The median married couple income for the most recent three-year period~~
 110.8 ~~available for the state is divided by the median married couple income for the same period~~
 110.9 ~~for each county to determine the income factor for each county.~~

110.10 ~~(h) The county restricted population is multiplied by the sum of the county welfare~~
 110.11 ~~easeload factor and the county income factor to determine the adjusted population.~~

110.12 ~~(i) \$15,000 shall be allocated to each county.~~

110.13 ~~(j) The remaining funds shall be allocated proportional to the county adjusted~~
 110.14 ~~population.~~

110.15 Sec. 21. Minnesota Statutes 2008, section 254B.02, subdivision 5, is amended to read:

110.16 Subd. 5. **Administrative adjustment.** The commissioner may make payments to
 110.17 local agencies from money allocated under this section to support administrative activities
 110.18 under sections 254B.03 and 254B.04. The administrative payment must not exceed
 110.19 the lesser of (1) five percent of the first \$50,000, four percent of the next \$50,000, and
 110.20 three percent of the remaining payments for services from the allocation special revenue
 110.21 account according to subdivision 1; or (2) the local agency administrative payment for
 110.22 the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in
 110.23 the appropriation for this chapter.

110.24 Sec. 22. Minnesota Statutes 2008, section 254B.03, subdivision 4, is amended to read:

110.25 Subd. 4. **Division of costs.** Except for services provided by a county under
 110.26 section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03,
 110.27 subdivision 4, paragraph (b), the county shall, out of local money, pay the state for
 110.28 ~~45~~ 16.14 percent of the cost of chemical dependency services, including those services
 110.29 provided to persons eligible for medical assistance under chapter 256B and general
 110.30 assistance medical care under chapter 256D. Counties may use the indigent hospitalization
 110.31 levy for treatment and hospital payments made under this section. Fifteen 16.14 percent
 110.32 of any state collections from private or third-party pay, less 15 percent ~~of~~ for the cost
 110.33 of payment and collections, must be distributed to the county that paid for a portion of
 110.34 the treatment under this section. ~~If all funds allocated according to section 254B.02 are~~
 111.1 ~~exhausted by a county and the county has met or exceeded the base level of expenditures~~
 111.2 ~~under section 254B.02, subdivision 3, the county shall pay the state for 15 percent of the~~
 111.3 ~~costs paid by the state under this section. The commissioner may refuse to pay state funds~~
 111.4 ~~for services to persons not eligible under section 254B.04, subdivision 1, if the county~~
 111.5 ~~financially responsible for the persons has exhausted its allocation.~~

111.6 Sec. 23. Minnesota Statutes 2008, section 254B.05, subdivision 4, is amended to read:

82.1 ~~(g) The median married couple income for the most recent three-year period~~
 82.2 ~~available for the state is divided by the median married couple income for the same period~~
 82.3 ~~for each county to determine the income factor for each county.~~

82.4 ~~(h) The county restricted population is multiplied by the sum of the county welfare~~
 82.5 ~~easeload factor and the county income factor to determine the adjusted population.~~

82.6 ~~(i) \$15,000 shall be allocated to each county.~~

82.7 ~~(j) The remaining funds shall be allocated proportional to the county adjusted~~
 82.8 ~~population in the special revenue account must be used according to the requirements~~
 82.9 ~~in this chapter.~~

82.10 Sec. 8. Minnesota Statutes 2008, section 254B.02, subdivision 5, is amended to read:

82.11 Subd. 5. **Administrative adjustment.** The commissioner may make payments to
 82.12 local agencies from money allocated under this section to support administrative activities
 82.13 under sections 254B.03 and 254B.04. The administrative payment must not exceed
 82.14 the lesser of: (1) five percent of the first \$50,000, four percent of the next \$50,000, and
 82.15 three percent of the remaining payments for services from the allocation special revenue
 82.16 account according to subdivision 1; or (2) the local agency administrative payment for
 82.17 the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in
 82.18 the appropriation for this chapter.

82.19 Sec. 9. Minnesota Statutes 2008, section 254B.03, subdivision 4, is amended to read:

82.20 Subd. 4. **Division of costs.** Except for services provided by a county under
 82.21 section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03,
 82.22 subdivision 4, paragraph (b), the county shall, out of local money, pay the state for
 82.23 ~~45~~ 16.14 percent of the cost of chemical dependency services, including those services
 82.24 provided to persons eligible for medical assistance under chapter 256B and general
 82.25 assistance medical care under chapter 256D. Counties may use the indigent hospitalization
 82.26 levy for treatment and hospital payments made under this section. Fifteen 16.14 percent
 82.27 of any state collections from private or third-party pay, less 15 percent ~~of~~ for the cost
 82.28 of payment and collections, must be distributed to the county that paid for a portion of
 82.29 the treatment under this section. ~~If all funds allocated according to section 254B.02 are~~
 82.30 ~~exhausted by a county and the county has met or exceeded the base level of expenditures~~
 82.31 ~~under section 254B.02, subdivision 3, the county shall pay the state for 15 percent of the~~
 82.32 ~~costs paid by the state under this section. The commissioner may refuse to pay state funds~~
 82.33 ~~for services to persons not eligible under section 254B.04, subdivision 1, if the county~~
 82.34 ~~financially responsible for the persons has exhausted its allocation.~~

83.6 Sec. 11. Minnesota Statutes 2008, section 254B.05, subdivision 4, is amended to read:

111.7 Subd. 4. **Regional treatment centers.** Regional treatment center chemical
 111.8 dependency treatment units are eligible vendors. The commissioner may expand the
 111.9 capacity of chemical dependency treatment units beyond the capacity funded by direct
 111.10 legislative appropriation to serve individuals who are referred for treatment by counties
 111.11 and whose treatment will be paid for with a county's allocation under section 254B.02 by
 111.12 funding under this chapter or other funding sources. Notwithstanding the provisions of
 111.13 sections 254B.03 to 254B.041, payment for any person committed at county request to
 111.14 a regional treatment center under chapter 253B for chemical dependency treatment and
 111.15 determined to be ineligible under the chemical dependency consolidated treatment fund,
 111.16 shall become the responsibility of the county.

111.17 Sec. 24. Minnesota Statutes 2008, section 254B.06, subdivision 2, is amended to read:

111.18 Subd. 2. **Allocation of collections.** The commissioner shall allocate all federal
 111.19 financial participation collections to the reserve fund under section 254B.02, subdivision 3
 111.20 a special revenue account. The commissioner shall retain 85 percent of
 111.21 patient payments and third-party payments to the special revenue account and allocate
 111.22 the collections to the treatment allocation for the county that is financially responsible
 111.23 for the person. Fifteen 16.14 percent of patient and third-party payments must be paid
 111.24 to the county financially responsible for the patient. Collections for patient payment and
 111.25 third-party payment for services provided under section 254B.09 shall be allocated to the
 111.26 allocation of the tribal unit which placed the person. Collections of federal financial
 111.27 participation for services provided under section 254B.09 shall be allocated to the tribal
 111.28 reserve account under section 254B.09, subdivision 5.

111.29 Sec. 25. Minnesota Statutes 2008, section 254B.09, subdivision 8, is amended to read:

111.30 Subd. 8. **Payments to improve services to American Indians.** The commissioner
 111.31 may set rates for chemical dependency services to American Indians according to the
 111.32 American Indian Health Improvement Act, Public Law 94-437, for eligible vendors.
 112.1 These rates shall supersede rates set in county purchase of service agreements when
 112.2 payments are made on behalf of clients eligible according to Public Law 94-437.

112.3 Sec. 26. **[254B.13] PILOT PROJECTS; CHEMICAL HEALTH CARE.**

112.4 Subdivision 1. **Authorization for pilot projects.** The commissioner of human
 112.5 services may approve and implement pilot projects developed under the planning process
 112.6 required under Laws 2009, chapter 79, article 7, section 26, to provide alternatives to and
 112.7 enhance coordination of the delivery of chemical health services required under section
 112.8 254B.03.

112.9 Subd. 2. **Program design and implementation.** (a) The commissioner of
 112.10 human services and counties participating in the pilot projects shall continue to work in
 112.11 partnership to refine and implement the pilot projects initiated under Laws 2009, chapter
 112.12 79, article 7, section 26.

83.7 Subd. 4. **Regional treatment centers.** Regional treatment center chemical
 83.8 dependency treatment units are eligible vendors. The commissioner may expand the
 83.9 capacity of chemical dependency treatment units beyond the capacity funded by direct
 83.10 legislative appropriation to serve individuals who are referred for treatment by counties
 83.11 and whose treatment will be paid for with a county's allocation under section 254B.02 by
 83.12 funding under this chapter or other funding sources. Notwithstanding the provisions of
 83.13 sections 254B.03 to 254B.041, payment for any person committed at county request to
 83.14 a regional treatment center under chapter 253B for chemical dependency treatment and
 83.15 determined to be ineligible under the chemical dependency consolidated treatment fund,
 83.16 shall become the responsibility of the county.

83.17 Sec. 12. Minnesota Statutes 2008, section 254B.06, subdivision 2, is amended to read:

83.18 Subd. 2. **Allocation of collections.** The commissioner shall allocate all federal
 83.19 financial participation collections to the reserve fund under section 254B.02, subdivision 3
 83.20 a special revenue account. The commissioner shall retain 85 percent of
 83.21 patient payments and third-party payments to the special revenue account and allocate
 83.22 the collections to the treatment allocation for the county that is financially responsible
 83.23 for the person. Fifteen 16.14 percent of patient and third-party payments must be paid
 83.24 to the county financially responsible for the patient. Collections for patient payment and
 83.25 third-party payment for services provided under section 254B.09 shall be allocated to the
 83.26 allocation of the tribal unit which placed the person. Collections of federal financial
 83.27 participation for services provided under section 254B.09 shall be allocated to the tribal
 83.28 reserve account under section 254B.09, subdivision 5.

83.29 Sec. 13. Minnesota Statutes 2008, section 254B.09, subdivision 8, is amended to read:

83.30 Subd. 8. **Payments to improve services to American Indians.** The commissioner
 83.31 may set rates for chemical dependency services to American Indians according to the
 83.32 American Indian Health Improvement Act, Public Law 94-437, for eligible vendors.
 84.1 These rates shall supersede rates set in county purchase of service agreements when
 84.2 payments are made on behalf of clients eligible according to Public Law 94-437.

112.13 (b) The commissioner and counties participating in the pilot projects shall
112.14 complete the planning phase by June 30, 2010, and, if approved by the commissioner for
112.15 implementation, enter into agreements governing the operation of the pilot projects with
112.16 implementation scheduled no earlier than July 1, 2010.

112.17 Subd. 3. **Program evaluation.** The commissioner of human services shall evaluate
112.18 pilot projects under this section and report the results of the evaluation to the legislative
112.19 committees with jurisdiction over chemical health by June 30, 2013. Evaluation of the
112.20 pilot projects must be based on outcome evaluation criteria negotiated with the projects
112.21 prior to implementation.

112.22 Subd. 4. **Notice of project discontinuation.** Each county's participation in the
112.23 pilot project may be discontinued for any reason by the county or the commissioner of
112.24 human services after 30 days' written notice to the other party. Any unspent funds held
112.25 for the exiting county's pro rata share in the special revenue fund under the authority
112.26 in subdivision 5, paragraph (c), shall be transferred to the general fund following
112.27 discontinuation of the pilot project.

112.28 Subd. 5. **Duties of commissioner.** (a) Notwithstanding any other provisions in
112.29 this chapter, the commissioner may authorize pilot projects to use chemical dependency
112.30 treatment funds to pay for services:

112.31 (1) in addition to those authorized under section 254B.03, subdivision 2, paragraph
112.32 (a); and

112.33 (2) by vendors in addition to those authorized under section 254B.05 when not
112.34 providing chemical dependency treatment services.

113.1 (b) State expenditures for chemical dependency services and any other services
113.2 provided by or through the pilot projects must not be greater than chemical dependency
113.3 treatment fund expenditures expected in the absence of the pilot projects. The
113.4 commissioner may restructure the schedule of payments between the state and participating
113.5 counties under the local agency share and division of cost provisions under section
113.6 254B.03, subdivisions 3 and 4, as necessary to facilitate the operation of the pilot projects.

113.7 (c) To the extent that state fiscal year expenditures within a pilot project region are
113.8 less than expected in the absence of the pilot projects, the commissioner may deposit
113.9 these unexpended funds in the special revenue fund and make these funds available for
113.10 expenditure by the pilot counties the following year. To the extent that treatment and pilot
113.11 project ancillary services expenditures within the pilot project exceed the amount expected
113.12 in the absence of the pilot projects, the pilot counties are responsible for the portion of
113.13 nontreatment expenditures in excess of otherwise expected expenditures.

113.14 (d) The commissioner may waive administrative rule requirements which are
113.15 incompatible with the implementation of the pilot project.

113.16 (e) The commissioner shall not approve or enter into any agreement related to pilot
113.17 projects authorized under this section which puts current or future federal funding at risk.

113.18 Subd. 6. **Duties of county board.** The county board, or other county entity that is
113.19 approved to administer a pilot project, shall:

113.20 (1) administer the pilot project in a manner consistent with the objectives described
113.21 in subdivision 2 and the planning process in subdivision 5;

113.22 (2) ensure that no one is denied chemical dependency treatment services for which
113.23 they would otherwise be eligible under section 254A.03, subdivision 3; and

113.24 (3) provide the commissioner of human services with timely and pertinent
113.25 information as negotiated in agreements governing operation of the pilot projects.

113.26 Sec. 27. Minnesota Statutes 2008, section 256.01, is amended by adding a subdivision
113.27 to read:

113.28 Subd. 30. **Office of Health Care Inspector General.** (a) The commissioner shall
113.29 create within the Department of Human Services an Office of Health Care Inspector
113.30 General to enhance antifraud activities and to protect the integrity of the state health care
113.31 programs, as well as the health and welfare of the beneficiaries of those programs. The
113.32 Office of Health Care Inspector General must periodically report to the commissioner and
113.33 to the legislature program and management problems and recommendations to correct
113.34 them.

114.1 (b) The duties of the Office of Health Care Inspector General include, but are not
114.2 limited to:

114.3 (1) promoting economy, efficiency, and effectiveness through the elimination of
114.4 waste, fraud, and abuse;

114.5 (2) conducting and supervising audits, investigations, inspections, and evaluations
114.6 relating to the state health care programs under chapters 256B, 256D, and 256L;

114.7 (3) identifying weaknesses giving rise to opportunities for fraud and abuse in the
114.8 state health care programs and operations and making recommendations to prevent their
114.9 recurrence;

114.10 (4) leading and coordinating activities to prevent and detect fraud and abuse in the
114.11 state health care programs and operations;

114.12 (5) detecting wrongdoers and abusers of the state health care programs and
114.13 beneficiaries so appropriate remedies may be brought;

114.14 (6) keeping the commissioner and the legislature fully and currently informed about
114.15 problems and deficiencies in the administration of the state health care programs and
114.16 operations and about the need for and progress of corrective action;

114.17 (7) operating a toll-free hotline to permit individuals to call in suspected fraud,
 114.18 waste, or abuse, referring the calls for appropriate action by the agency, and analyzing the
 114.19 calls to identify trends and patterns of fraud and abuse needing attention;
 114.20 (8) developing and reviewing legislative, regulatory, and program proposals to
 114.21 reduce vulnerabilities to fraud, waste, and mismanagement; and
 114.22 (9) recommending changes in program policies, regulations, and laws to improve
 114.23 efficiency and effectiveness, and to prevent fraud, waste, abuse, and mismanagement.
 114.24 (c) Beginning July 1, 2011, the commissioner, in consultation with the Office of
 114.25 Health Care Inspector General, shall annually report to the legislature and the governor
 114.26 new results from the two ongoing federal Medicaid audits. The commissioner shall report
 114.27 (1) the most recent Medicaid Integrity Program (MIP) audit results, with any corrective
 114.28 actions needed, and (2) certify the rate of errors determined for the state health care
 114.29 programs under chapters 256B, 256D, and 256L, as determined from the most recent
 114.30 Payment Error Rate Measurement (PERM) audit results for Minnesota. When the PERM
 114.31 audit rate for Minnesota is greater than the national rate for the year or the MIP audit
 114.32 determines the need for corrective action, the commissioner shall present a plan to the
 114.33 legislature and the governor for the corrective actions and reduction of the error rate
 114.34 in the next calendar year.
 115.1 Sec. 28. Minnesota Statutes 2009 Supplement, section 289A.08, subdivision 3, is
 115.2 amended to read:
 115.3 Subd. 3. **Corporations.** (a) A corporation that is subject to the state's jurisdiction to
 115.4 tax under section 290.014, subdivision 5, must file a return, ~~except that a foreign operating~~
 115.5 ~~corporation as defined in section 290.01, subdivision 6b, is not required to file a return.~~
 115.6 (b) Members of a unitary business that are required to file a combined report on one
 115.7 return must designate a member of the unitary business to be responsible for tax matters,
 115.8 including the filing of returns, the payment of taxes, additions to tax, penalties, interest,
 115.9 or any other payment, and for the receipt of refunds of taxes or interest paid in excess of
 115.10 taxes lawfully due. The designated member must be a member of the unitary business that
 115.11 is filing the single combined report and either:
 115.12 (1) a corporation that is subject to the taxes imposed by chapter 290; or
 115.13 (2) a corporation that is not subject to the taxes imposed by chapter 290:
 115.14 (i) Such corporation consents by filing the return as a designated member under this
 115.15 clause to remit taxes, penalties, interest, or additions to tax due from the members of the
 115.16 unitary business subject to tax, and receive refunds or other payments on behalf of other
 115.17 members of the unitary business. The member designated under this clause is a "taxpayer"
 115.18 for the purposes of this chapter and chapter 270C, and is liable for any liability imposed
 115.19 on the unitary business under this chapter and chapter 290.

115.20 (ii) If the state does not otherwise have the jurisdiction to tax the member designated
 115.21 under this clause, consenting to be the designated member does not create the jurisdiction
 115.22 to impose tax on the designated member, other than as described in item (i).

115.23 (iii) The member designated under this clause must apply for a business tax account
 115.24 identification number.

115.25 (c) The commissioner shall adopt rules for the filing of one return on behalf of the
 115.26 members of an affiliated group of corporations that are required to file a combined report.
 115.27 All members of an affiliated group that are required to file a combined report must file one
 115.28 return on behalf of the members of the group under rules adopted by the commissioner.

115.29 (d) If a corporation claims on a return that it has paid tax in excess of the amount of
 115.30 taxes lawfully due, that corporation must include on that return information necessary for
 115.31 payment of the tax in excess of the amount lawfully due by electronic means.

115.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
 115.33 December 31, 2009.

115.34 Sec. 29. Minnesota Statutes 2008, section 290.01, subdivision 5, is amended to read:

116.1 Subd. 5. **Domestic corporation.** The term "domestic" when applied to a corporation
 116.2 means a corporation:

116.3 (1) created or organized in the United States, or under the laws of the United States
 116.4 or of any state, the District of Columbia, or any political subdivision of any of the
 116.5 foregoing but not including the Commonwealth of Puerto Rico, or any possession of
 116.6 the United States;

116.7 (2) which qualifies as a DISC, as defined in section 992(a) of the Internal Revenue
 116.8 Code; ~~or~~

116.9 (3) which qualifies as a FSC, as defined in section 922 of the Internal Revenue Code;

116.10 (4) which is incorporated in a tax haven;

116.11 (5) which is engaged in activity in a tax haven sufficient for the tax haven to impose
 116.12 a net income tax under United States constitutional standards and section 290.015, and
 116.13 which reports that 20 percent or more of its income is attributable to business in the tax
 116.14 haven; or

116.15 (6) which has the average of its property, payroll, and sales factors, as defined under
 116.16 section 290.191, within the 50 states of the United States and the District of Columbia of
 116.17 20 percent or more.

116.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
116.19 December 31, 2009.

116.20 Sec. 30. Minnesota Statutes 2008, section 290.01, is amended by adding a subdivision
116.21 to read:

116.22 Subd. 5c. **Tax haven.** (a) "Tax haven" means a foreign jurisdiction designated
116.23 under this subdivision.

116.24 (b) The commissioner may designate a foreign jurisdiction as a tax haven by
116.25 administrative rule if the jurisdiction:

116.26 (1) has no or nominal effective tax on the relevant income; and

116.27 (2)(i) has laws or practices that prevent effective exchange of information for tax
116.28 purposes with other governments on taxpayers benefiting from the tax regime;

116.29 (ii) has a tax regime that lacks transparency. A tax regime lacks transparency if the
116.30 details of legislative, legal, or administrative provisions are not open and apparent or are
116.31 not consistently applied among similarly situated taxpayers, or if the information needed
116.32 by tax authorities to determine a taxpayer's correct tax liability, such as accounting records
116.33 and underlying documentation, is not adequately available;

117.1 (iii) facilitates the establishment of foreign-owned entities without the need for a
117.2 local substantive presence or prohibits these entities from having any commercial impact
117.3 on the local economy;

117.4 (iv) explicitly or implicitly excludes the jurisdiction's resident taxpayers from taking
117.5 advantage of the tax regime's benefits or prohibits enterprises that benefit from the regime
117.6 from operating in the jurisdiction's domestic markets; or

117.7 (v) has created a tax regime that is favorable for tax avoidance, based upon an
117.8 overall assessment of relevant factors, including whether the jurisdiction has a significant
117.9 untaxed offshore financial or other services sector relative to its overall economy.

117.10 (c) The following foreign jurisdictions are deemed to be tax havens:

117.11 (1) Anguilla;

117.12 (2) Antigua and Barbuda;

117.13 (3) Aruba;

117.14 (4) Bahamas;

117.15 (5) Barbados;

117.16 (6) Belize;

- 117.17 (7) Bermuda;
- 117.18 (8) British Virgin Islands;
- 117.19 (9) Cayman Islands;
- 117.20 (10) Cook Islands;
- 117.21 (11) Dominica;
- 117.22 (12) Gibraltar;
- 117.23 (13) Grenada;
- 117.24 (14) Guernsey-Sark-Alderney;
- 117.25 (15) Isle of Man;
- 117.26 (16) Jersey;
- 117.27 (17) Latvia;
- 117.28 (18) Liechtenstein;
- 117.29 (19) Luxembourg;
- 117.30 (20) Nauru;
- 117.31 (21) Netherlands Antilles;
- 117.32 (22) Panama;
- 117.33 (23) Samoa;
- 117.34 (24) St. Kitts and Nevis;
- 117.35 (25) St. Lucia;
- 117.36 (26) St. Vincent and Grenadines;
- 118.1 (27) Turks and Caicos; and
- 118.2 (28) Vanuatu.
- 118.3 (d) The commissioner shall revoke a foreign jurisdiction's listing under paragraph
- 118.4 (b) or (c), as applicable, if the United States enters into a tax treaty or other agreement
- 118.5 with the foreign jurisdiction that provides for prompt, obligatory, and automatic exchange
- 118.6 of information with the United States government relevant to enforcing the provisions of
- 118.7 federal tax laws and the treaty or other agreement was in effect for the taxable year.
- 118.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
- 118.9 December 31, 2009.

118.10 Sec. 31. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 19c,
118.11 is amended to read:

118.12 Subd. 19c. **Corporations; additions to federal taxable income.** For corporations,
118.13 there shall be added to federal taxable income:

118.14 (1) the amount of any deduction taken for federal income tax purposes for income,
118.15 excise, or franchise taxes based on net income or related minimum taxes, including but not
118.16 limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota,
118.17 another state, a political subdivision of another state, the District of Columbia, or any
118.18 foreign country or possession of the United States;

118.19 (2) interest not subject to federal tax upon obligations of: the United States, its
118.20 possessions, its agencies, or its instrumentalities; the state of Minnesota or any other
118.21 state, any of its political or governmental subdivisions, any of its municipalities, or any
118.22 of its governmental agencies or instrumentalities; the District of Columbia; or Indian
118.23 tribal governments;

118.24 (3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal
118.25 Revenue Code;

118.26 (4) the amount of any net operating loss deduction taken for federal income tax
118.27 purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss
118.28 deduction under section 810 of the Internal Revenue Code;

118.29 (5) the amount of any special deductions taken for federal income tax purposes
118.30 under sections 241 to 247 and 965 of the Internal Revenue Code;

118.31 (6) losses from the business of mining, as defined in section 290.05, subdivision 1,
118.32 clause (a), that are not subject to Minnesota income tax;

118.33 (7) the amount of any capital losses deducted for federal income tax purposes under
118.34 sections 1211 and 1212 of the Internal Revenue Code;

119.1 (8) the exempt foreign trade income of a foreign sales corporation under sections
119.2 921(a) and 291 of the Internal Revenue Code;

119.3 (9) the amount of percentage depletion deducted under sections 611 through 614 and
119.4 291 of the Internal Revenue Code;

119.5 (10) for certified pollution control facilities placed in service in a taxable year
119.6 beginning before December 31, 1986, and for which amortization deductions were elected
119.7 under section 169 of the Internal Revenue Code of 1954, as amended through December
119.8 31, 1985, the amount of the amortization deduction allowed in computing federal taxable
119.9 income for those facilities;

119.10 (11) for taxable years beginning before January 1, 2010, the amount of any deemed
119.11 dividend from a foreign operating corporation determined pursuant to section 290.17,
119.12 subdivision 4, paragraph (g). The deemed dividend shall be reduced by the amount of the
119.13 addition to income required by clauses (20), (21), (22), and (23);

119.14 (12) the amount of a partner's pro rata share of net income which does not flow
119.15 through to the partner because the partnership elected to pay the tax on the income under
119.16 section 6242(a)(2) of the Internal Revenue Code;

119.17 (13) the amount of net income excluded under section 114 of the Internal Revenue
119.18 Code;

119.19 (14) for taxable years beginning before January 1, 2010, any increase in subpart F
119.20 income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year
119.21 when subpart F income is calculated without regard to the provisions of Division C, title
119.22 III, section 303(b) of Public Law 110-343;

119.23 (15) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A)
119.24 and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer
119.25 has an activity that in the taxable year generates a deduction for depreciation under
119.26 section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year
119.27 that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed
119.28 under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the
119.29 depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the
119.30 amount of the loss from the activity that is not allowed in the taxable year. In succeeding
119.31 taxable years when the losses not allowed in the taxable year are allowed, the depreciation
119.32 under section 168(k)(1)(A) and (k)(4)(A) is allowed;

119.33 (16) 80 percent of the amount by which the deduction allowed by section 179 of the
119.34 Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal
119.35 Revenue Code of 1986, as amended through December 31, 2003;

120.1 (17) to the extent deducted in computing federal taxable income, the amount of the
120.2 deduction allowable under section 199 of the Internal Revenue Code;

120.3 (18) the exclusion allowed under section 139A of the Internal Revenue Code for
120.4 federal subsidies for prescription drug plans;

120.5 (19) the amount of expenses disallowed under section 290.10, subdivision 2;

120.6 (20) for taxable years beginning before January 1, 2010, an amount equal to the
120.7 interest and intangible expenses, losses, and costs paid, accrued, or incurred by any
120.8 member of the taxpayer's unitary group to or for the benefit of a corporation that is a
120.9 member of the taxpayer's unitary business group that qualifies as a foreign operating
120.10 corporation. For purposes of this clause, intangible expenses and costs include:

120.11 (i) expenses, losses, and costs for, or related to, the direct or indirect acquisition,
120.12 use, maintenance or management, ownership, sale, exchange, or any other disposition of
120.13 intangible property;

120.14 (ii) losses incurred, directly or indirectly, from factoring transactions or discounting
120.15 transactions;

120.16 (iii) royalty, patent, technical, and copyright fees;

120.17 (iv) licensing fees; and

120.18 (v) other similar expenses and costs.

120.19 For purposes of this clause, "intangible property" includes stocks, bonds, patents, patent
120.20 applications, trade names, trademarks, service marks, copyrights, mask works, trade
120.21 secrets, and similar types of intangible assets.

120.22 This clause does not apply to any item of interest or intangible expenses or costs paid,
120.23 accrued, or incurred, directly or indirectly, to a foreign operating corporation with respect
120.24 to such item of income to the extent that the income to the foreign operating corporation
120.25 is income from sources without the United States as defined in subtitle A, chapter 1,
120.26 subchapter N, part 1, of the Internal Revenue Code;

120.27 (21) for taxable years beginning before January 1, 2010, except as already included
120.28 in the taxpayer's taxable income pursuant to clause (20), any interest income and income
120.29 generated from intangible property received or accrued by a foreign operating corporation
120.30 that is a member of the taxpayer's unitary group. For purposes of this clause, income
120.31 generated from intangible property includes:

120.32 (i) income related to the direct or indirect acquisition, use, maintenance or
120.33 management, ownership, sale, exchange, or any other disposition of intangible property;

120.34 (ii) income from factoring transactions or discounting transactions;

120.35 (iii) royalty, patent, technical, and copyright fees;

120.36 (iv) licensing fees; and

121.1 (v) other similar income.

121.2 For purposes of this clause, "intangible property" includes stocks, bonds, patents, patent
121.3 applications, trade names, trademarks, service marks, copyrights, mask works, trade
121.4 secrets, and similar types of intangible assets.

121.5 This clause does not apply to any item of interest or intangible income received or accrued
121.6 by a foreign operating corporation with respect to such item of income to the extent that
121.7 the income is income from sources without the United States as defined in subtitle A,
121.8 chapter 1, subchapter N, part 1, of the Internal Revenue Code;

121.9 (22) for taxable years beginning before January 1, 2010, the dividends attributable to
121.10 the income of a foreign operating corporation that is a member of the taxpayer's unitary
121.11 group in an amount that is equal to the dividends paid deduction of a real estate investment
121.12 trust under section 561(a) of the Internal Revenue Code for amounts paid or accrued by
121.13 the real estate investment trust to the foreign operating corporation;

121.14 (23) for taxable years beginning before January 1, 2010, the income of a foreign
121.15 operating corporation that is a member of the taxpayer's unitary group in an amount that
121.16 is equal to gains derived from the sale of real or personal property located in the United
121.17 States;

121.18 (24) the additional amount allowed as a deduction for donation of computer
121.19 technology and equipment under section 170(e)(6) of the Internal Revenue Code, to the
121.20 extent deducted from taxable income; and

121.21 (25) discharge of indebtedness income resulting from reacquisition of business
121.22 indebtedness and deferred under section 108(i) of the Internal Revenue Code.

121.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
121.24 December 31, 2009.

121.25 Sec. 32. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 19d,
121.26 is amended to read:

121.27 Subd. 19d. **Corporations; modifications decreasing federal taxable income.** For
121.28 corporations, there shall be subtracted from federal taxable income after the increases
121.29 provided in subdivision 19c:

121.30 (1) the amount of foreign dividend gross-up added to gross income for federal
121.31 income tax purposes under section 78 of the Internal Revenue Code;

121.32 (2) the amount of salary expense not allowed for federal income tax purposes due to
121.33 claiming the work opportunity credit under section 51 of the Internal Revenue Code;

122.1 (3) any dividend (not including any distribution in liquidation) paid within the
122.2 taxable year by a national or state bank to the United States, or to any instrumentality of
122.3 the United States exempt from federal income taxes, on the preferred stock of the bank
122.4 owned by the United States or the instrumentality;

122.5 (4) amounts disallowed for intangible drilling costs due to differences between
122.6 this chapter and the Internal Revenue Code in taxable years beginning before January
122.7 1, 1987, as follows:

122.8 (i) to the extent the disallowed costs are represented by physical property, an amount
122.9 equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09,
122.10 subdivision 7, subject to the modifications contained in subdivision 19e; and

122.11 (ii) to the extent the disallowed costs are not represented by physical property, an
122.12 amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section
122.13 290.09, subdivision 8;

122.14 (5) the deduction for capital losses pursuant to sections 1211 and 1212 of the
122.15 Internal Revenue Code, except that:

122.16 (i) for capital losses incurred in taxable years beginning after December 31, 1986,
122.17 capital loss carrybacks shall not be allowed;

122.18 (ii) for capital losses incurred in taxable years beginning after December 31, 1986,
122.19 a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be
122.20 allowed;

122.21 (iii) for capital losses incurred in taxable years beginning before January 1, 1987, a
122.22 capital loss carryback to each of the three taxable years preceding the loss year, subject to
122.23 the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

122.24 (iv) for capital losses incurred in taxable years beginning before January 1, 1987,
122.25 a capital loss carryover to each of the five taxable years succeeding the loss year to the
122.26 extent such loss was not used in a prior taxable year and subject to the provisions of
122.27 Minnesota Statutes 1986, section 290.16, shall be allowed;

122.28 (6) an amount for interest and expenses relating to income not taxable for federal
122.29 income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and
122.30 expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or
122.31 291 of the Internal Revenue Code in computing federal taxable income;

122.32 (7) in the case of mines, oil and gas wells, other natural deposits, and timber for
122.33 which percentage depletion was disallowed pursuant to subdivision 19c, clause (9), a
122.34 reasonable allowance for depletion based on actual cost. In the case of leases the
deduction

122.35 must be apportioned between the lessor and lessee in accordance with rules prescribed
122.36 by the commissioner. In the case of property held in trust, the allowable deduction must
123.1 be apportioned between the income beneficiaries and the trustee in accordance with the
123.2 pertinent provisions of the trust, or if there is no provision in the instrument, on the basis
123.3 of the trust's income allocable to each;

123.4 (8) for certified pollution control facilities placed in service in a taxable year
123.5 beginning before December 31, 1986, and for which amortization deductions were elected
123.6 under section 169 of the Internal Revenue Code of 1954, as amended through December
123.7 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes
123.8 1986, section 290.09, subdivision 7;

123.9 (9) amounts included in federal taxable income that are due to refunds of income,
123.10 excise, or franchise taxes based on net income or related minimum taxes paid by the
123.11 corporation to Minnesota, another state, a political subdivision of another state, the
123.12 District of Columbia, or a foreign country or possession of the United States to the extent
123.13 that the taxes were added to federal taxable income under section 290.01, subdivision 19c,
123.14 clause (1), in a prior taxable year;

123.15 (10) 80 percent of royalties, fees, or other like income accrued or received from a
123.16 foreign operating corporation or a foreign corporation which is part of the same unitary
123.17 business as the receiving corporation, unless the income resulting from such payments or
123.18 accruals is income from sources within the United States as defined in subtitle A, chapter
123.19 1, subchapter N, part 1, of the Internal Revenue Code;

123.20 (11) income or gains from the business of mining as defined in section 290.05,
123.21 subdivision 1, clause (a), that are not subject to Minnesota franchise tax;

123.22 (12) the amount of disability access expenditures in the taxable year which are not
123.23 allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code;

123.24 (13) the amount of qualified research expenses not allowed for federal income tax
123.25 purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that
123.26 the amount exceeds the amount of the credit allowed under section 290.068;

123.27 (14) the amount of salary expenses not allowed for federal income tax purposes due
123.28 to claiming the Indian employment credit under section 45A(a) of the Internal Revenue
123.29 Code;

123.30 (15) for taxable years beginning before January 1, 2008, the amount of the federal
123.31 small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code
123.32 which is included in gross income under section 87 of the Internal Revenue Code;

123.33 (16) for a corporation whose foreign sales corporation, as defined in section 922
123.34 of the Internal Revenue Code, constituted a foreign operating corporation during any
123.35 taxable year ending before January 1, 1995, and a return was filed by August 15, 1996,
123.36 claiming the deduction under section 290.21, subdivision 4, for income received from
124.1 the foreign operating corporation, an amount equal to 1.23 multiplied by the amount of
124.2 income excluded under section 114 of the Internal Revenue Code, provided the income is
124.3 not income of a foreign operating company;

124.4 (17) for taxable years beginning before January 1, 2010, any decrease in subpart F
124.5 income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year
124.6 when subpart F income is calculated without regard to the provisions of Division C, title
124.7 III, section 303(b) of Public Law 110-343;

124.8 (18) in each of the five tax years immediately following the tax year in which an
 124.9 addition is required under subdivision 19c, clause (15), an amount equal to one-fifth of
 124.10 the delayed depreciation. For purposes of this clause, "delayed depreciation" means the
 124.11 amount of the addition made by the taxpayer under subdivision 19c, clause (15). The
 124.12 resulting delayed depreciation cannot be less than zero;

124.13 (19) in each of the five tax years immediately following the tax year in which an
 124.14 addition is required under subdivision 19c, clause (16), an amount equal to one-fifth of
 124.15 the amount of the addition; and

124.16 (20) to the extent included in federal taxable income, discharge of indebtedness
 124.17 income resulting from reacquisition of business indebtedness included in federal taxable
 124.18 income under section 108(i) of the Internal Revenue Code. This subtraction applies only
 124.19 to the extent that the income was included in net income in a prior year as a result of the
 124.20 addition under section 290.01, subdivision 19c, clause (25).

124.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
 124.22 December 31, 2009.

124.23 Sec. 33. Minnesota Statutes 2008, section 290.17, subdivision 4, is amended to read:

124.24 Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly
 124.25 within this state or partly within and partly without this state is part of a unitary business,
 124.26 the entire income of the unitary business is subject to apportionment pursuant to section
 124.27 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary
 124.28 business is considered to be derived from any particular source and none may be allocated
 124.29 to a particular place except as provided by the applicable apportionment formula. The
 124.30 provisions of this subdivision do not apply to business income subject to subdivision 5,
 124.31 income of an insurance company, or income of an investment company determined under
 124.32 section 290.36.

124.33 (b) The term "unitary business" means business activities or operations which
 124.34 result in a flow of value between them. The term may be applied within a single legal
 125.1 entity or between multiple entities and without regard to whether each entity is a sole
 125.2 proprietorship, a corporation, a partnership or a trust.

125.3 (c) Unity is presumed whenever there is unity of ownership, operation, and use,
 125.4 evidenced by centralized management or executive force, centralized purchasing,
 125.5 advertising, accounting, or other controlled interaction, but the absence of these
 125.6 centralized activities will not necessarily evidence a nonunitary business. Unity is also
 125.7 presumed when business activities or operations are of mutual benefit, dependent upon or
 125.8 contributory to one another, either individually or as a group.

125.9 (d) Where a business operation conducted in Minnesota is owned by a business
125.10 entity that carries on business activity outside the state different in kind from that
125.11 conducted within this state, and the other business is conducted entirely outside the state, it
125.12 is presumed that the two business operations are unitary in nature, interrelated, connected,
125.13 and interdependent unless it can be shown to the contrary.

125.14 (e) Unity of ownership is not deemed to exist when a corporation is involved unless
125.15 that corporation is a member of a group of two or more business entities and more than 50
125.16 percent of the voting stock of each member of the group is directly or indirectly owned
125.17 by a common owner or by common owners, either corporate or noncorporate, or by one
125.18 or more of the member corporations of the group. For this purpose, the term "voting
125.19 stock" shall include membership interests of mutual insurance holding companies formed
125.20 under section 66A.40.

125.21 (f) The net income and apportionment factors under section 290.191 or 290.20 of
125.22 foreign corporations and other foreign entities which are part of a unitary business shall
125.23 not be included in the net income or the apportionment factors of the unitary business.
125.24 A foreign corporation or other foreign entity which is required to file a return under this
125.25 chapter shall file on a separate return basis. ~~The net income and apportionment factors~~
125.26 ~~under section 290.191 or 290.20 of foreign operating corporations shall not be included in~~
125.27 ~~the net income or the apportionment factors of the unitary business except as provided~~
125.28 ~~in paragraph (g).~~ The legislature intends that the provisions of this paragraph are not
125.29 severable from the provisions of section 290.01, subdivision 5, clauses (4) to (6), and if
125.30 any of those provisions are found to be unconstitutional, the provisions of this paragraph
125.31 are void for the respective taxable years.

125.32 (g) ~~The adjusted net income of a foreign operating corporation shall be deemed to~~
125.33 ~~be paid as a dividend on the last day of its taxable year to each shareholder thereof, in~~
125.34 ~~proportion to each shareholder's ownership, with which such corporation is engaged in~~
125.35 ~~a unitary business. Such deemed dividend shall be treated as a dividend under section~~
125.36 ~~290.21, subdivision 4.~~

126.1 ~~Dividends actually paid by a foreign operating corporation to a corporate shareholder~~
126.2 ~~which is a member of the same unitary business as the foreign operating corporation shall~~
126.3 ~~be eliminated from the net income of the unitary business in preparing a combined report~~
126.4 ~~for the unitary business. The adjusted net income of a foreign operating corporation~~
126.5 ~~shall be its net income adjusted as follows:~~

126.6 (1) ~~any taxes paid or accrued to a foreign country, the commonwealth of Puerto~~
126.7 ~~Rico, or a United States possession or political subdivision of any of the foregoing shall~~
126.8 ~~be a deduction; and~~

126.9 (2) ~~the subtraction from federal taxable income for payments received from foreign~~
126.10 ~~corporations or foreign operating corporations under section 290.01, subdivision 19d,~~
126.11 ~~clause (10), shall not be allowed.~~

126.12 ~~If a foreign operating corporation incurs a net loss, neither income nor deduction~~
 126.13 ~~from that corporation shall be included in determining the net income of the unitary~~
 126.14 ~~business.~~

126.15 ~~(h)~~ For purposes of determining the net income of a unitary business and the factors
 126.16 to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there
 126.17 must be included only the income and apportionment factors of domestic corporations or
 126.18 other domestic entities ~~other than foreign operating corporations~~ that are determined to
 126.19 be part of the unitary business pursuant to this subdivision, notwithstanding that foreign
 126.20 corporations or other foreign entities might be included in the unitary business.

126.21 ~~(+)~~ ~~(h)~~ Deductions for expenses, interest, or taxes otherwise allowable under
 126.22 this chapter that are connected with or allocable against dividends, ~~deemed dividends~~
 126.23 ~~described in paragraph (g)~~, or royalties, fees, or other like income described in section
 126.24 290.01, subdivision 19d, clause (10), shall not be disallowed.

126.25 ~~(+)~~ ~~(i)~~ Each corporation or other entity, except a sole proprietorship, that is part of
 126.26 a unitary business must file combined reports as the commissioner determines. On the
 126.27 reports, all intercompany transactions between entities included pursuant to paragraph
 126.28 ~~(h)~~ ~~(g)~~ must be eliminated and the entire net income of the unitary business determined in
 126.29 accordance with this subdivision is apportioned among the entities by using each entity's
 126.30 Minnesota factors for apportionment purposes in the numerators of the apportionment
 126.31 formula and the total factors for apportionment purposes of all entities included pursuant
 126.32 to paragraph ~~(h)~~ ~~(g)~~ in the denominators of the apportionment formula.

126.33 ~~(k)~~ ~~(i)~~ If a corporation has been divested from a unitary business and is included in a
 126.34 combined report for a fractional part of the common accounting period of the combined
 126.35 report:

127.1 (1) its income includable in the combined report is its income incurred for that part
 127.2 of the year determined by proration or separate accounting; and

127.3 (2) its sales, property, and payroll included in the apportionment formula must
 127.4 be prorated or accounted for separately.

127.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
 127.6 December 31, 2009.

127.7 Sec. 34. Minnesota Statutes 2008, section 326B.43, subdivision 2, is amended to read:

127.8 Subd. 2. **Agreement with municipality.** The commissioner may enter into an
 127.9 agreement with a municipality, in which the municipality agrees to perform plan and
 127.10 specification reviews required to be performed by the commissioner under Minnesota
 127.11 Rules, part 4715.3130, if:

127.12 (a) the municipality has adopted:

127.13 (1) the plumbing code;

127.14 (2) an ordinance that requires plumbing plans and specifications to be submitted to,
127.15 reviewed, and approved by the municipality, except as provided in paragraph (n);

127.16 (3) an ordinance that authorizes the municipality to perform inspections required by
127.17 the plumbing code; and

127.18 (4) an ordinance that authorizes the municipality to enforce the plumbing code in its
127.19 entirety, except as provided in paragraph (p);

127.20 (b) the municipality agrees to review plumbing plans and specifications for all
127.21 construction for which the plumbing code requires the review of plumbing plans and
127.22 specifications, except as provided in paragraph (n);

127.23 (c) the municipality agrees that, when it reviews plumbing plans and specifications
127.24 under paragraph (b), the review will:

127.25 (1) reflect the degree to which the plans and specifications affect the public health
127.26 and conform to the provisions of the plumbing code;

127.27 (2) ensure that there is no physical connection between water supply systems that
127.28 are safe for domestic use and those that are unsafe for domestic use; and

127.29 (3) ensure that there is no apparatus through which unsafe water may be discharged
127.30 or drawn into a safe water supply system;

127.31 (d) the municipality agrees to perform all inspections required by the plumbing
127.32 code in connection with projects for which the municipality reviews plumbing plans and
127.33 specifications under paragraph (b);

127.34 (e) the commissioner determines that the individuals who will conduct the
127.35 inspections and the plumbing plan and specification reviews for the municipality do not
128.1 have any conflict of interest in conducting the inspections and the plan and specification
128.2 reviews;

128.3 (f) individuals who will conduct the plumbing plan and specification reviews for
128.4 the municipality are:

128.5 (1) licensed master plumbers;

128.6 (2) licensed professional engineers; or

128.7 (3) individuals who are working under the supervision of a licensed professional
128.8 engineer or licensed master plumber and who are licensed master or journeyman plumbers
128.9 or hold a postsecondary degree in engineering;

128.10 (g) individuals who will conduct the plumbing plan and specification reviews for
128.11 the municipality have passed a competency assessment required by the commissioner to
128.12 assess the individual's competency at reviewing plumbing plans and specifications;

128.13 (h) individuals who will conduct the plumbing inspections for the municipality
128.14 are licensed master or journeyman plumbers, or inspectors meeting the competency
128.15 requirements established in rules adopted under section 326B.135;

128.16 (i) the municipality agrees to enforce in its entirety the plumbing code on all
128.17 projects, except as provided in paragraph (p);

128.18 (j) the municipality agrees to keep official records of all documents received,
128.19 including plans, specifications, surveys, and plot plans, and of all plan reviews, permits
128.20 and certificates issued, reports of inspections, and notices issued in connection with
128.21 plumbing inspections and the review of plumbing plans and specifications;

128.22 (k) the municipality agrees to maintain the records described in paragraph (j) in the
128.23 official records of the municipality for the period required for the retention of public
128.24 records under section 138.17, and shall make these records readily available for review at
128.25 the request of the commissioner;

128.26 (l) the municipality and the commissioner agree that if at any time during the
128.27 agreement the municipality does not have in effect the plumbing code or any of ordinances
128.28 described in paragraph (a), or if the commissioner determines that the municipality is not
128.29 properly administering and enforcing the plumbing code or is otherwise not complying
128.30 with the agreement:

128.31 (1) the commissioner may, effective 14 days after the municipality's receipt of
128.32 written notice, terminate the agreement;

128.33 (2) the municipality may challenge the termination in a contested case before the
128.34 commissioner pursuant to the Administrative Procedure Act; and

129.1 (3) while any challenge is pending under clause (2), the commissioner shall perform
129.2 plan and specification reviews within the municipality under Minnesota Rules, part
129.3 4715.3130;

129.4 (m) the municipality and the commissioner agree that the municipality may terminate
129.5 the agreement with or without cause on 90 days' written notice to the commissioner;

129.6 (n) the municipality and the commissioner agree that the municipality shall forward
129.7 to the state for review all plumbing plans and specifications for the following types of
129.8 projects within the municipality:

129.9 (1) hospitals, nursing homes, supervised living facilities licensed for eight or
129.10 more individuals, and similar health-care-related facilities regulated by the Minnesota
129.11 Department of Health;

129.12 (2) buildings owned by the federal or state government; and

129.13 (3) projects of a special nature for which department review is requested by either
129.14 the municipality or the state;

129.15 (o) where the municipality forwards to the state for review plumbing plans and
129.16 specifications, as provided in paragraph (n), the municipality shall not collect any fee for
129.17 plan review, and the commissioner shall collect all applicable fees for plan review; and

129.18 (p) no municipality shall revoke, suspend, or place restrictions on any plumbing
129.19 license issued by the state.

84.3 Sec. 14. Minnesota Statutes 2008, section 514.982, subdivision 2, is amended to read:

84.4 Subd. 2. **Filing.** Any notice, release, or other document required to be filed
84.5 under sections 514.980 to 514.985 must be recorded or filed in the office of the county
84.6 recorder or registrar of titles, as appropriate, in the county where the real property is
84.7 located. The agency shall redact all but the last four digits of the Social Security number
84.8 of a medical assistance recipient from a document that is recorded or filed under this
84.9 subdivision. Notwithstanding section 386.77, the agency shall pay the applicable filing fee
84.10 for any document filed under sections 514.980 to 514.985. An attestation, certification, or
84.11 acknowledgment is not required as a condition of filing. If the property described in the
84.12 medical assistance lien notice is registered property, the registrar of titles shall record it
84.13 on the certificate of title for each parcel of property described in the lien notice. If the
84.14 property described in the medical assistance lien notice is abstract property, the recorder
84.15 shall file the medical assistance lien in the county's grantor-grantee indexes and any tract
84.16 indexes the county maintains for each parcel of property described in the lien notice. The
84.17 recorder shall return recorded medical assistance lien notices for abstract property to the
84.18 agency at no cost. If the agency provides a duplicate copy of a medical assistance lien
84.19 notice for registered property, the registrar of titles shall show the recording data for the
84.20 medical assistance lien notice on the copy and return it to the agency at no cost. The filing
84.21 or mailing of any notice, release, or other document under sections 514.980 to 514.985 is
84.22 the responsibility of the agency.

84.23 Sec. 15. Minnesota Statutes 2009 Supplement, section 517.08, subdivision 1b, is
84.24 amended to read:

84.25 Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar
84.26 shall examine upon oath the parties applying for a license relative to the legality of the
84.27 contemplated marriage. If one party is unable to appear in person, the party appearing
84.28 may complete the absent applicant's information. The local registrar shall provide a copy
84.29 of the marriage application to the party who is unable to appear, who must verify the
84.30 accuracy of the party's information in a notarized statement. The marriage license must
84.31 not be released until the verification statement has been received by the local registrar. If
84.32 at the expiration of a five-day period, on being satisfied that there is no legal impediment
84.33 to it, including the restriction contained in section 259.13, the local registrar shall issue
84.34 the license, containing the full names of the parties before and after marriage, and county
85.1 and state of residence, with the county seal attached, and make a record of the date of
85.2 issuance. The license shall be valid for a period of six months. Except as provided in
85.3 paragraph (c), the local registrar shall collect from the applicant a fee of ~~\$140~~ \$115 for
85.4 administering the oath, issuing, recording, and filing all papers required, and preparing
85.5 and transmitting to the state registrar of vital statistics the reports of marriage required
85.6 by this section. If the license should not be used within the period of six months due to
85.7 illness or other extenuating circumstances, it may be surrendered to the local registrar for
85.8 cancellation, and in that case a new license shall issue upon request of the parties of the
85.9 original license without fee. A local registrar who knowingly issues or signs a marriage
85.10 license in any manner other than as provided in this section shall pay to the parties
85.11 aggrieved an amount not to exceed \$1,000.

85.12 (b) In case of emergency or extraordinary circumstances, a judge of the district court
85.13 of the county in which the application is made may authorize the license to be issued at
85.14 any time before expiration of the five-day period required under paragraph (a). A waiver
85.15 of the five-day waiting period must be in the following form:

85.16 STATE OF MINNESOTA, COUNTY OF (insert county name)

85.17 APPLICATION FOR WAIVER OF MARRIAGE LICENSE WAITING PERIOD:

85.18 (legal names of the applicants)

85.19 Represent and state as follows:

85.20 That on (date of application) the applicants applied to the local
85.21 registrar of the above-named county for a license to marry.

85.22 That it is necessary that the license be issued before the expiration of five days
85.23 from the date of the application by reason of the following: (insert reason for requesting
85.24 waiver of waiting period)

85.25

85.26

85.27

85.28 WHEREAS, the applicants request that the judge waive the required five-day
85.29 waiting period and the local registrar be authorized and directed to issue the marriage
85.30 license immediately.

85.31 Date:

85.32

85.33

85.34 (Signatures of applicants)

85.35 Acknowledged before me on this day of

85.36

86.1 NOTARY PUBLIC

86.2 COURT ORDER AND AUTHORIZATION:

86.3 STATE OF MINNESOTA, COUNTY OF (insert county name)

86.4 After reviewing the above application, I am satisfied that an emergency or
86.5 extraordinary circumstance exists that justifies the issuance of the marriage license before
86.6 the expiration of five days from the date of the application. IT IS HEREBY ORDERED
86.7 that the local registrar is authorized and directed to issue the license forthwith.

86.8

86.9 (judge of district court)

86.10 (date).

86.11 (c) The marriage license fee for parties who have completed at least 12 hours of
86.12 premarital education is \$40. In order to qualify for the reduced license fee, the parties
86.13 must submit at the time of applying for the marriage license a signed, dated, and notarized
86.14 statement from the person who provided the premarital education on their letterhead
86.15 confirming that it was received. The premarital education must be provided by a licensed
86.16 or ordained minister or the minister's designee, a person authorized to solemnize marriages
86.17 under section 517.18, or a person authorized to practice marriage and family therapy under
86.18 section 148B.33. The education must include the use of a premarital inventory and the
86.19 teaching of communication and conflict management skills.

86.20 (d) The statement from the person who provided the premarital education under
86.21 paragraph (b) must be in the following form:

86.22 "I, (name of educator), confirm that (names of
86.23 both parties) received at least 12 hours of premarital education that included the use of a
86.24 premarital inventory and the teaching of communication and conflict management skills.
86.25 I am a licensed or ordained minister, a person authorized to solemnize marriages under
86.26 Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family
86.27 therapy under Minnesota Statutes, section 148B.33."

86.28 The names of the parties in the educator's statement must be identical to the legal
86.29 names of the parties as they appear in the marriage license application. Notwithstanding
86.30 section 138.17, the educator's statement must be retained for seven years, after which
86.31 time it may be destroyed.

86.32 (e) If section 259.13 applies to the request for a marriage license, the local registrar
86.33 shall grant the marriage license without the requested name change. Alternatively, the local
86.34 registrar may delay the granting of the marriage license until the party with the conviction:

87.1 (1) certifies under oath that 30 days have passed since service of the notice for a
87.2 name change upon the prosecuting authority and, if applicable, the attorney general and no
87.3 objection has been filed under section 259.13; or

87.4 (2) provides a certified copy of the court order granting it. The parties seeking the
87.5 marriage license shall have the right to choose to have the license granted without the
87.6 name change or to delay its granting pending further action on the name change request.

87.7 Sec. 16. Minnesota Statutes 2008, section 517.08, subdivision 1c, as amended by Laws
87.8 2010, chapter 200, article 1, section 17, is amended to read:

87.9 Subd. 1c. **Disposition of license fee.** (a) Of the marriage license fee collected
87.10 pursuant to subdivision 1b, paragraph (a), \$25 must be retained by the county. The
87.11 local registrar must pay ~~\$85~~ \$90 to the commissioner of management and budget to be
87.12 deposited as follows:

87.13 (1) \$55 in the general fund;

87.14 (2) \$3 in the state government special revenue fund to be appropriated to the
87.15 commissioner of public safety for parenting time centers under section 119A.37;

87.16 (3) \$2 in the special revenue fund to be appropriated to the commissioner of health
87.17 for developing and implementing the MN ENABL program under section 145.9255; ~~and~~

87.18 (4) \$25 in the special revenue fund is appropriated to the commissioner of
87.19 employment and economic development for the displaced homemaker program under
87.20 section 116L.96; and

87.21 (5) \$5 in the special revenue fund, which is appropriated to the Board of Regents
87.22 of the University of Minnesota for the Minnesota couples on the brink project under
87.23 section 137.32.

129.20 Sec. 35. Laws 2009, chapter 79, article 3, section 18, is amended to read:

129.21 Sec. 18. **REQUIRING THE DEVELOPMENT OF COMMUNITY-BASED**
 129.22 **MENTAL HEALTH SERVICES FOR PATIENTS COMMITTED TO THE**
 129.23 **ANOKA-METRO REGIONAL TREATMENT CENTER.**

129.24 ~~In consultation with community partners, the commissioner of human services~~ The
 129.25 Advisory Group on State-Operated Services Redesign shall develop recommend an array
 129.26 of community-based services to transform the current services now provided to patients
 129.27 at the Anoka-Metro Regional Treatment Center. The community-based services may
 129.28 be provided in facilities with 16 or fewer beds, and must provide the appropriate level
 129.29 of care for the patients being admitted to the facilities. The planning for this transition
 129.30 must be completed by October 1, ~~2009~~ 2010, with an initial report to the committee chairs
 129.31 of health and human services by November 30, ~~2009~~ 2010, and a semiannual report on
 129.32 progress until the transition is completed. ~~The commissioner of human services shall~~
 129.33 ~~solicit interest from stakeholders and potential community partners.~~ The individuals
 129.34 working in the community-based services facilities under this section are state employees
 130.1 supervised by the commissioner of human services. No layoffs shall occur as a result of
 130.2 restructuring under this section.

130.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

130.4 Sec. 36. **NONSUBMISSION OF HEALTH CARE CLAIM BY**

130.5 **CLEARINGHOUSE; SIGNIFICANT DISRUPTION.**

130.6 (a) A situation shall be considered a significant disruption to normal operations that
 130.7 materially affects the provider's or facility's ability to conduct business in a normal manner
 130.8 and to submit claims on a timely basis under Minnesota Statutes, section 62Q.75, if:

87.24 (b) Of the \$40 fee under subdivision 1b, paragraph (b), \$25 must be retained by the
 87.25 county. The local registrar must pay \$15 to the commissioner of management and budget
 87.26 to be deposited as follows:

87.27 (1) \$5 as provided in paragraph (a), clauses (2) and (3); and

87.28 (2) \$10 in the special revenue fund is appropriated to the commissioner of
 87.29 employment and economic development for the displaced homemaker program under
 87.30 section 116L.96.

87.31 Sec. 17. Laws 2009, chapter 79, article 3, section 18, is amended to read:

87.32 Sec. 18. **REQUIRING THE DEVELOPMENT OF COMMUNITY-BASED**
 87.33 **MENTAL HEALTH SERVICES FOR PATIENTS COMMITTED TO THE**
 87.34 **ANOKA-METRO REGIONAL TREATMENT CENTER.**

88.1 In consultation with community partners, the commissioner of human services
 88.2 shall develop an array of community-based services in the metro area to transform the
 88.3 current services now provided to patients at the Anoka-Metro Regional Treatment Center.
 88.4 The community-based services may be ~~provided in facilities with 16 or fewer beds, and~~
 88.5 ~~must provide the appropriate level of care for the patients being admitted to the facilities~~
 88.6 established in partnership with private and public hospital organizations, community
 88.7 mental health centers and other mental health community services providers, and
 88.8 community partnerships, and must be staffed by state employees. The planning for this
 88.9 transition must be completed by October 1, ~~2009~~ 2010, with ~~an initial~~ a report detailing
 88.10 the transition plan, services that will be provided, including incorporating peer specialists
 88.11 where appropriate, the location of the services, and the number of patients that will be
 88.12 served, to the committee chairs of health and human services by November 30, ~~2009~~ 2010,
 88.13 ~~and a semiannual report on progress until the transition is completed.~~ The commissioner
 88.14 of human services shall ~~solicit interest from~~ make a genuine effort to engage stakeholders
 88.15 and potential community partners in the process. The individuals ~~working in~~ employed by
 88.16 the community-based services ~~facilities~~ under this section are state employees supervised
 88.17 by the commissioner of human services. No layoffs shall occur as a result of restructuring
 88.18 under this section. Savings generated as a result of transitioning patients from the
 88.19 Anoka-Metro Regional Treatment Center to community-based services may be used to
 88.20 fund supportive housing staffed by state employees.

130.9 (1) a clearinghouse loses, or otherwise does not submit, a health care claim as
130.10 required by Minnesota Statutes, section 62J.536; and

130.11 (2) the provider or facility can substantiate that it submitted a complete claim to the
130.12 clearinghouse within provisions stated in contract or six months of the date of service,
130.13 whichever is less.

130.14 (b) This section expires January 1, 2012.

130.15 Sec. 37. **REPORT ON HUMAN SERVICES FISCAL NOTES.**

130.16 The commissioner of management and budget shall issue a report to the legislature
130.17 no later than November 15, 2010, making recommendations for improving the preparation
130.18 and delivery of fiscal notes under Minnesota Statutes, section 3.98, relating to human
130.19 services. The report shall consider: (1) the establishment of an independent fiscal
130.20 note office in the human services department and (2) transferring the responsibility for
130.21 preparing human services fiscal notes to the legislature. The report must include detailed
130.22 information regarding the financial costs, staff resources, training, access to information,
130.23 and data protection issues relative to the preparation of human services fiscal notes. The
130.24 report shall describe methods and procedures used by other states to insure independence
130.25 and accuracy of fiscal estimates on legislative proposals for changes in human services.

130.26 Sec. 38. **PRESCRIPTION DRUG WASTE REDUCTION.**

130.27 The commissioner of human services, in cooperation with the commissioners of
130.28 health, veterans affairs, and corrections, shall study prescription drug waste reduction
130.29 techniques and technologies applicable to long-term care facilities, veterans nursing
130.30 homes, and correctional facilities. In conducting the study, the commissioners shall
130.31 consult with the Minnesota Pharmacists Association, the Minnesota Board of Pharmacy,
130.32 the University of Minnesota College of Pharmacy, University of Minnesota's Minnesota
130.33 Technical Assistance Project, consumers, long-term care providers, and other interested
131.1 parties. The commissioners shall evaluate the extent to which new prescription drug
131.2 waste reduction techniques and technologies can reduce the amount of prescription drugs
131.3 that enter the waste stream and reduce state prescription drug costs. The techniques and
131.4 technologies studied must include, but are not limited to, daily, weekly, and automated dose
131.5 dispensing. The study must provide an estimate of the cost of adopting these and other
131.6 techniques and technologies, and an estimate of waste reduction and state prescription
131.7 drug savings that would result from adoption. The study must also evaluate methods of
131.8 encouraging the adoption of effective drug waste reduction techniques and technologies.
131.9 The commissioner shall present recommendations on the adoption of new prescription
131.10 drug waste reduction techniques and technologies to the legislature by December 15,
2010.

131.11 Sec. 39. **AUTISM PREVALENCE.**

131.12 A task force of five members of the house of representatives shall be appointed to
131.13 study the prevalence of autism in the Somali community. Four members shall be
131.14 appointed
131.14 by the speaker of the house, and one member shall be appointed by the minority leader.
131.15 Members of the task force shall be paid a per diem as provided in Minnesota Statutes,
131.16 sections 3.099 and 3.101. Frequency of the meetings shall be determined by the members
131.17 of task force, but in no case may the task force have less than three meetings. The task
131.18 force shall issue a report and legislative proposals to the chairs of the standing committees
131.19 with jurisdiction over health and education no later than January 1, 2011.

131.20 Sec. 40. **REPEALER.**

131.21 (a) Minnesota Statutes 2008, sections 254B.02, subdivisions 2, 3, and 4; and
131.22 254B.09, subdivisions 4, 5, and 7, and Laws 2009, chapter 79, article 7, section 26,
131.23 subdivision 3, are repealed.

131.24 (b) Minnesota Statutes 2008, sections 290.01, subdivision 6b; and 290.0921,
131.25 subdivision 7, are repealed effective for taxable years beginning after December 31, 2009.

131.26 Sec. 41. **EFFECTIVE DATE.**

131.27 Sections 19 to 25 and 40, paragraph (a), are effective for claims paid on or after
131.28 July 1, 2010.

69.6 Sec. 72. **SALARY REDUCTION; BENEFITS.**

89.7 Sec. 19. **VETERINARY PRACTICE AND CONTROLLED SUBSTANCE**

89.8 **ABUSE STUDY.**

89.9 The Board of Pharmacy, in consultation with the Prescription Electronic Reporting
89.10 Advisory Committee and the Board of Veterinary Medical Practice, shall study the issue
89.11 of the diversion of controlled substances from veterinary practice and report to the chairs
89.12 and ranking minority members of the senate health and human services policy and finance
89.13 division and the house of representatives health care and human services policy and
89.14 finance division by December 15, 2011, on recommendations to include veterinarians in
89.15 the prescription electronic reporting system in Minnesota Statutes, section 152.126.

89.16 Sec. 20. **REPEALER.**

89.17 Minnesota Statutes 2008, sections 254B.02, subdivisions 2, 3, and 4; and 254B.09,
89.18 subdivisions 4, 5, and 7, are repealed.

69.7 (a) The salaries of the commissioner of human services, the assistant commissioner
69.8 for chemical and mental health services, and all managerial employees of state-operated
69.9 services who are not subject to a collective bargaining agreement must be reduced by 20
69.10 percent until all full-time state-operated services employees who are subject to a collective
69.11 bargaining agreement who have been subject to a 20 percent reduction in hours since
69.12 May 1, 2009, have been offered the opportunity to return to full-time employment. The
69.13 Department of Human Services and affected employee groups or unions shall certify
69.14 when all affected employees have been offered the opportunity to return to full-time
69.15 employment.

69.16 (b) Cost savings resulting from the reduction in salaries for the commissioner,
69.17 assistant commissioner, and managerial employees shall be expended to restore benefits
69.18 and wages for the affected employee groups or unions who have been adversely affected
69.19 by the reduction in hours and loss of benefits.